

The NATIONAL UNDERWRITER

Life Insurance Edition

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Mr. Chas. E. Becker, President
The Franklin Life Insurance Company
Springfield, Illinois

DEAR PRESIDENT BECKER:

When a relatively new representative of Franklin Life can telephone the President on Saturday afternoon for a talk with a prospect, it is thrilling and reassuring to the salesman and *amazing* to the prospect.

Thank you, Mr. Becker, for making me feel welcome to call you. Needless to say your conversation with Dr. C. F. Duncan, Neosho, Missouri resulted in an application for \$10,000 GLA and a check for \$1,570.00.

Sincerely yours,

D. EVERETT THOMAS
1815 Murphy
Joplin, Missouri



The Friendly

FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

* One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$465,000,000 Insurance in Force.

FRIDAY, JUNE 6, 1947



HOW TO MAKE DIRECT MAIL PAY

By Ray W. Druckenmiller, Allentown, Pa.

Direct mail, to me, represents a means by which I attempt to establish "beachheads" among groups of prospective buyers. To obtain the best results, three factors appeal to me as essential:

The first thing necessary for maximum results is a good list of names. The names I use in my lists are carefully screened with regard to income, occupation, reasonable insurability and approachability.

The second important item represents a careful selection of that type of direct mail which will have the greatest appeal.

The third, and most important factor, is the follow-up of all names circularized. I find that there are as many sales made to non-repliers as to repliers.

In approaching direct mail repliers, I telephone for an appointment, and proceed somewhat along the following lines:

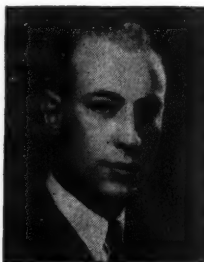
"Mr. Prospect, this is Ray Druckenmiller of the Provident Mutual Life Insurance Company. You recently replied to one of our advertising offers

in which we promised to give you a gift pencil and information on the Chart for Living. Would this evening, or Thursday evening, be a good time to get together?"

This approach usually results in an appointment. In the event that the replier is hesitant, because he expected the Company to mail the gift, his objection can usually be overcome with a reply somewhat as follows: "Gosh, Mr. Prospect, I wouldn't have the pleasure of meeting you that way—nor could the Company do as good a job explaining everything to you by correspondence. After all, our major objective in giving out these advertising novelties is to get acquainted with successful people."

In the case of most other objections, show him why he will be at ease in talking to you, and how he may profit without obligation to himself. The approach to the non-replier is very much the same.

To me, direct mail is one of the most important and inexpensive tools an agent can use.



Sales Ideas From "Provident Notes"

published by

PROVIDENT MUTUAL LIFE INSURANCE COMPANY of PHILADELPHIA, PA.

American Institute Actuaries Compare New Basis Progress

**Elect Beatty President;
Fassel Treats Increased
Importance of Calling**

OFFICERS ELECTED

President—J. Gordon Beatty, Canada Life.

Vice-presidents — James S. Elston, Travelers, and L. J. Kalmbach, Lincoln National.

Secretary—Ronald G. Stagg, Northwestern National.

Treasurer—Ross E. Moyer, John Hancock.

Editor—A. O. Groth, Equitable of Iowa.

Board of Governors—C. H. Tookey, Occidental of California; W. F. Poorman, Central Life of Iowa, F. D. Kinke, Prudential (three year terms); A. N. Guertin, American Life Convention (one year term).

The annual meeting of the American Institute of Actuaries at Chicago might be described as a clearing house in which the more than 300 actuaries were given the opportunity to exchange and compare methods of gearing their companies to the new mortality table and new rules as to reserves, valuations and non-forfeiture values.

The meeting was launched into this pattern by the speech of the president, Elgin G. Fassel, Northwestern Mutual, who said in his address, "As has from time to time occurred in the past, we are now at a time in American life insurance when all companies are faced with momentous decisions affecting their insurance funds, calling forth all the actuary's resources of knowledge, wisdom and skill. The universal movement to a new standard mortality table, the reconsideration of the interest rate assumption, and the steps taken by the particular company, involve numerous considerations of that company's traditions coming from the past, and its plans for the future. The long range effects that such basic changes have on the company's outlook for many years to come mark those steps as fundamental decisions of company policy.

Great Challenge to Actuary

"The decisions are intensely practical and yet they can be reached only through the actuarial technique peculiar to life insurance. Never has there been a greater challenge to the actuary than in the time we are now passing through to unite technical knowledge with wise decision and skillful management."

Mr. Fassel traced the institution of the actuary from the beginnings of life insurance when actuaries were company managers, through their own incidental efforts trained in mathematical science. He treated the creation of the various actuarial societies with the comment that it is no longer sufficient for a company merely to carry forward its traditional policies, but is increasingly important to know what solutions others in the



E. G. Fassel

TIGHTEN AMORTIZATION RULE

Commissioners Approve New Statement Formula.

ATLANTIC CITY—In line with the policy of gradually stiffening the requirements for amortization of bonds in the annual statements of insurance companies, N.A.I.C. at the annual meeting here adopted a formula for annual statements as of Dec. 31, 1947, in which the so-called yield test factor is 1.80% as compared with 2.10% for the 1946 statements.

This means that to be eligible for amortization, the yield on a bond at Dec. 1, 1946, and at Dec. 1, 1947, shall not exceed 1.80% plus the yield for comparable securities of fully taxable un-

restricted U. S. government treasury obligations at the respective dates.

Another change in the new formula involves the valuation of insurance company stocks. It is provided that such values printed in the book of valuation of securities shall be determined, first, upon public sale or bid and asked quotation prices where available, and, second, upon the sum of capital, surplus and voluntary reserves divided by the number of shares as of Nov. 30, where no market quotations are available.

Gough of New Jersey, at the committee meeting expressed opposition to this feature insofar as life insurance stock valuation is concerned. He argued that each life company should be analyzed individually, because there is such a great difference between the nature and extent of the reserves. Book values are not reliable, he said. He read off market quotations as compared with the New York book on several life companies. For instance, on one the market was 53, book 80; others, 70 and 148, 586 and 826; 370 and 1,150; 98 and 3,276, and 220 and 4,845.

Mr. Fassel said that modern progress is depending more and more upon mathematics and that any increases in proficiency in mathematics as required in actuarial qualifications are in the line of progress. He said that the use of mechanical aids, such as office machines, is largely a matter of mathematical aptitude. The president declared that the insurance fund of the life insurance company is the core of the organization, and it is a problem in applied mathematics.

Mr. Fassel sounded the credo of those present when he said that technical knowledge to an actuary alone is not useful until it is combined with practical management ability.

Selection of J. Gordon Beatty, Canada Life, who had been a vice-president of the Institute, as president was hailed by Mr. Fassel and by various of his backers on the floor as significant recognition of the prominent part which Canadian actuaries have played in the Institute, particularly appropriate in the year of the centenary of the British Institute of Actuary, parent body of all actuarial societies, which will be attended by English speaking actuaries from all over the world in London.

Mr. Beatty holds an M.A. degree in mathematics from the University of Toronto. He spent four years overseas in the first world war and was awarded the military cross. He joined the actuarial department of Canada Life in



J. GORDON BEATTY

1919, was appointed assistant actuary in 1924, actuary in 1938 and chief actuary in 1946.

Particularly significant was the election of James S. Elston, Travelers, as a vice-president, for he had been honored earlier by a rising vote of commendation for his record tenure of 18 years

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Reconcile Opposing Views on N.A.I.C. Central Office

**Atmosphere of Relaxation
After Troublous Times
at Atlantic City**

ATLANTIC CITY—N.A.I.C. Wednesday voted unanimously for a central office set-up with the paid hand to be designated as assistant secretary.

Zone 3 is perfecting plans for a forum and training school for rating department deputies.

By LEVERING CARTWRIGHT

ATLANTIC CITY—The National Assn. of Insurance Commissioners enjoyed a breather, so to say, in its con-



N. P. Parkinson



J. E. Larson

vention here this week. Now that the story has been written so far as fire and casualty rating legislation and related questions are concerned, the group happily found itself at Atlantic City without any ill-consuming subject, and in a relaxed attitude proceeded to take up a lot of things that seemed mundane. The atmosphere of Atlantic City contributed to such relaxation the entertainment was splendid, the attendance was less than it has been in recent years, hence less congestion, and it was pretty much of an old-fashioned pre-war, pre-S.E.U.A. commissioners' convention.

The gathering was shocked and saddened by the death in his room Tuesday morning of A. N. Butler, vice-president of Corroon & Reynolds, former New York deputy and traditional chairman of arrangements for the December New York meeting. There was no more popular man at these conventions. The shock was all the greater because Mr. and Mrs. Butler had been greeting friends on all sides late Monday night as they paraded the boardwalk in a rolling chair. Mr. Butler was one of the main spark plugs of the gatherings of the Pamunkey Tribe of Real Indians and the Pamunkey ceremonial scheduled for Wednesday night was called off following his death.

As the convention moved toward its closing stages it was taken for granted that Seth Thompson of Oregon would be elevated to president to succeed Dineen of New York and that Larson of Florida would advance from executive committee chairman to vice-president. However, a four-cornered contest was under way for chairman of the executive committee, the candidates being Forbes of Michigan, Allyn of Connecticut, Hodges of North Carolina, and Kavanaugh of Colorado.

Everyone is delighted with the prospect of the December convention at the Flamingo hotel, Miami Beach, Dec. 7-10.

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May Offer Substitute

However, Mr. Gough withdrew his objection and he was invited by Dineen of New York, the chairman, to submit a suggested substitute provision at the December meeting.

The statement that was adopted refers to the fact that the New York and Massachusetts departments are now studying the matter of corporate private purchase investments. As of Dec. 31, 1946, there were about 1,500 separate issues of private purchases of corporate security issues made by insurers. Neither market quotations nor ratings are available on these and to get at the eligibility for amortization much research is required. "Emphasis," the report states, "was placed on the fact that under private purchase investments the insurers have assumed in large part the responsibility of commercial bank functions and the question arises as to what, if any, administrative or legislative action should be taken in regard thereto."

The provision for computation of amortized values on foreign bonds was revised.

Formula on Preferred Stocks

The valuation of securities committee adopted the minutes of a previous meeting at which consideration was given to determination of values for preferred stocks purchased at private sales on which there are no public sales or quotations available. The committee at that time instructed the executive secretary to examine auditor's reports, prospectuses, preferred stock provisions, and inquire into the nature and historical background and management of the issuing company. Furthermore, that the allowable value of such stocks shall be the cost value thereof, unless the dividend actually paid produces a yield on such cost which is less than the current average yield (to be determined each Dec. 1) of a group of selected high grade preferred stock issues. If the yield on the cost is less than the average yield on the selected high grade preferred stocks, the stock shall be valued at a figure on which the dividend paid produces the same yield (3.65% as of December 1, 1946) as the average yield as of Dec. 1 on the preferred stocks selected as the criterion.

That formula shall apply to privately purchased preferred stocks without arrears of dividends.

Committee Meetings First Work at Commissioners Rally in East

ATLANTIC CITY—The only convention activity of the N.A.I.C. on Saturday consisted of a meeting of the Zone 1 commissioners through the afternoon. Sunday afternoon there was conducted the first session of the executive committee with Larson of Florida presiding. At that time the decision was reached to hold the December meeting at the Flamingo Hotel, Miami Beach. Incidentally, it is expected that many department people and camp followers may work in a vacation at that time, as the Flamingo will offer pre-season rates of \$6 single and \$8 double for members of the group during the first two weeks of December.

Following that meeting the group witnessed the broadcast of the Prudential "Family Hour," the performers having been transplanted from Broadway to Haddon Hall for the occasion. Reference was made in the announcement over the air to the fact that the show was being given at Atlantic City for the insurance commissioners. This was a great thrill for the conventioners and it will go down as one of the most highly appreciated entertainment features of N.A.I.C. history.

The New Jersey companies were hosts at a cocktail party and sumptuous buffet supper.

Rate and Law Committees

Preceding the first plenary session of the association Monday morning, there was held a meeting of the rates and rating organization and federal legislation committees, with Harrington of Massachusetts presiding.

G. D. Finlayson, Canadian superintendent, inquired whether there is anything legislatively to protect Canadians from unauthorized operations of U. S. insurers. He said, for instance, there is such a company with \$25,000 assets that is soliciting life, accident and sickness insurance in Canada by mail. To be properly registered, it would have to deposit \$160,000. The Canadian department wrote to this company, which replied that it was really a fraternal and was entitled to get into Canada for \$10,000. However, it was not a fraternal under the Canadian law, because its contracts are not of the open end type. This company was requested to refuse to issue insurance to Canadians even if a Canadian should ask for it. The mails were closed to this company, but it is now using blank envelopes with innocent looking reply addresses. The commissioner of the state in which this company is located expressed sympathy but said he can do nothing about it. The record in Canada is, Mr. Finlayson said, that no policyholder has lost money and "we want to keep it that way."

F. T. C. May Enter

Harrington suggested that after Jan. 1, 1948, the federal trade commission will be able to handle such matters and Finlayson expressed delight at that prospect.

Hunter of Manitoba said in his province he can cancel the license of a Manitoba insurer that operates afield without being registered. He said a Manitoba agent went on a vacation in Minnesota and undertook to finance his holiday by selling life insurance in his company to Minnesotans. When this was brought to the attention of the Manitoba department, Mr. Hunter compelled that agent to return to the Minnesota people all the premiums he had collected.

FAIR TRADE ACTS

The question was brought up of whether a state insurance anti-trust law is desirable in addition to a state fair trade practices act. Dineen said a big insurance lobby succeeded in defeating his anti-trust bill. The legislature passed the F.T.C. bill, but the governor

vetoed it on the theory that such a bill without being related to an anti-trust act is worthless. Dineen observed that the federal trade commission act is supplementary to the anti-trust laws. He said that, while rating laws take care of most concerted action problems, there are other things, such as allocation of territory, that are at war with federal acts.

Harrington said this is a live subject currently in Massachusetts and he asked for expressions of opinion from industry representatives. When none was forthcoming he said the record of the meeting indicating silence on the part of industry would be of interest to the legislators.

McCormack of Tennessee said the fire insurance people lobbied against the \$5,000 penalty provision of the fair trade practices bill in Tennessee. He said he favors keeping that penalty on the theory that to assess a penalty less than that contained in the federal act would put the states in disrepute.

Rap "Secret Sin" Provisions

Bruce Shepherd of Life Insurance Assn. of America contended that at the state level new penalties are being added under fair trade practices acts to old penalties such as cancellation of license under existing laws.

E. A. Meyers, of Ekern, Meyers & Matthias, Chicago law firm, said state legislators are leary of the "secret sin" portion of the fair trade practices act. If they can be shown that some abuse exists, they are ready to name it and prescribe for it, but they don't want to make the commissioner "king." If the federal trade commission butts in, he said, the states can easily get an amendment to the federal act. The federal trade commission can't fight 48 states, he declared. He cautioned the commissioners against trying to move too fast. The rate laws reasonably administered will take care of 99% of the trouble, he argued. The legislator doesn't want to put a \$5,000 penalty on an unknown abuse, especially when what may be regarded as a sin in one state in the eyes of a commissioner may be regarded as a virtue in another state. Also, he contended, it is easier to enforce a small penalty than a large one.

There was considerable discussion of section 4(b) of the fair trade practices bill, this being the one that says that the enumeration of unfair practices shall not limit the power of the commissioner as provided in section 9. This was characterized by E. Wallingford of L.I.A. as the "cracks and crevices" clause. Dineen said New York had conceded that the industry was correct in opposing this clause, but Harrington expressed indignation that its deletion had been advocated in Massachusetts. Harrington said that it is necessary for the states to occupy the whole field.

OPENING SESSION

At the plenary session, the roll call indicated that 41 states and Ontario, Manitoba and Canada were represented. Commissioner Carey of New Jersey gave the welcoming talk in which he expressed the hope that N.A.I.C. wouldn't wait so long before coming to New Jersey the next time. This was the first time in its 78 years the association had gathered in the state. Seth Thompson of Oregon responded.

Dineen gave his presidential address, which consisted exclusively of an appeal to the states to cooperate in every way to make successful regulation of fire and casualty rates at the state level.

Carroll Shanks, president of Prudential, as chairman of the host committee, made a gracious talk and he was enthusiastically applauded.

The committee consolidation proposal

(CONTINUED ON PAGE 27)

J. B. Maclean Is Retiring

Joseph B. Maclean, vice-president and actuary of Mutual Life, will retire Oct. 1, under the provisions of the company's retirement plan. He joined Mutual Life in 1911 and has been vice-president and actuary since 1941.



J. B. Maclean

Late last year, it was agreed that Mr. Maclean would retire as of July 1, 1948, but he has now requested that the date be advanced to Oct. 1, 1947, and he has been granted a leave of absence until then.

Leigh Cruess, vice-president and manager of selection, will be in temporary charge of the actuary's department, in addition to continuing his regular duties.

Native of Glasgow

Mr. Maclean was born at Glasgow, and received his early education at Glasgow High School. His first job was with the Scottish Temperance Life, and by the time he was 25 years, he had become a fellow in Faculty of Actuaries, Institute of Actuaries (London) and Actuarial Society of America. Later he became a fellow in American Institute of Actuaries and was secretary of Actuarial Society from 1932 to 1939, later becoming vice president, and in 1942, president. He is a member of the council of Faculty of Actuaries in Scotland, and is the only member of the council who is not a resident of Great Britain.

Mr. Maclean came to the U. S. in 1911 and joined the actuarial division of Mutual Life. In 1914 he resigned from the company, returned to Scotland, and joined Cameronians, one of the oldest Scottish regiments. After service in Scotland, England, and Ireland, the regiment went to France at the beginning of 1917. With the first battalion of Cameronians, Mr. Maclean saw service at Neuport, Ypres, Passchendaele and other places on the British front. In 1915 he was commissioned a second lieutenant and later in France he was commissioned a captain. He was awarded the Military Cross for service in action and in 1919 was decorated by Edward, then Prince of Wales.

He returned to the U. S. and to Mutual Life in 1919. In 1920 he was made an assistant actuary; in 1929 he became an associate actuary; and in 1941 vice-president and actuary.

Literary Reputation

Mr. Maclean has a considerable literary reputation based on his book, "Life Insurance." It was first published in 1924 and since that time there have been five additional editions, of which more than 100,000 copies have been sold. He also joined with E. W. Marshall, actuary Provident Mutual, in a book, "Distribution of Surplus," one of the series of actuarial studies published by Actuarial Society.

Mr. Maclean is a trustee and member of the executive committee of Teachers' Insurance & Annuity. He is a panel member of American Arbitration Assn. and is a member of the board of managers of St. Andrews Society of New York.

J. B. Maclean and A. T. Maclean, president of Massachusetts Mutual Life, are brothers.

J. B. Maclean's book "Life Insurance" in its various editions, it is said, has had an aggregate sale of some 500,000.

Headquarters of Glenn Lamar, superintendent of agencies of Reliance Life, have been moved from Atlanta, where they had been for many years, to the home office in Pittsburgh.

Illinois Senate Seeks Easing of Investment Curb

The Illinois senate has adopted a resolution filed by Ryan of Chicago calling attention to the investment of New York life companies of approximately \$100 million in housing projects in New York in "discrimination against" other states. The resolution requests Director Parkinson of Illinois to report to the senate recommendations for legislation necessary to correct the situation.

The situation is a critical one, and is due entirely to the limitations imposed by statutes of many states against out-of-state companies, under which they cannot secure the fee simple on real estate, but if they should invest money in it might face suits to have the property escheat to the state. In most of the states, it is understood, a time limit such as five years is placed on the holding of real estate by outside corporations, after which time suits can be initiated to escheat. Life companies cannot invest millions of dollars on such a shaky basis, so they have confined their housing project investments to states in which they are permitted to hold the real estate fee.

Uses Caustic Phraseology

New York so permits, and the Illinois senate resolution is very caustic against the companies for catering to the housing needs of that state (which modified its statutes to permit life companies to invest in real estate) while undoubtedly the senators are fully aware that the Illinois law imposes the potential penalty of confiscation by the state of property purchased by the companies to perform a public service.

The Illinois resolution refers to "specious reasoning" and otherwise takes the large eastern life companies severely to task for not showering down the benefits of their funds in Illinois as in New York. Illinois statutes permit foreign and alien corporations to invest in bonds of the housing authority issued in connection with projects securing federal aid; and also in mortgages of neighborhood redevelopment corporations, it is said, if they are F.H.A.-insured. But the outside companies cannot secure permanent title to the fee.

Extreme Caution Demanded

They therefore must exercise extreme caution in their real estate investments in states other than their home states which still carry these obsolete statutes on the books. And naturally they are not gambling millions of dollars on investments whose safety may depend upon approval or sufferance of a state insurance commissioner.

Only a week or so ago, T. I. Parkinson, president of Equitable Society, spoke on this subject in Chicago, noting that the Illinois restriction still is in effect, while in Pennsylvania the governor has just signed a bill which permits life companies to invest in housing projects with safety.

Tye Writes Treatise on Taxation of Insurers

Charles W. Tye, tax counsel of Maryland Casualty, is author of an article "Taxation of Insurance Companies" which he prepared at the request of the school of law, New York University. The article has been reprinted in pamphlet form and Mr. Tye has a limited supply available for those who might be interested. He treats the matter of taxation of all types of insurers under the federal revenue act. He treats the development of the tax historically as well as presenting the current methods and analyzing some of the practical problems that are encountered.

North Central Advertisers Hold Chicago Conference

Faithful Group of 33 Turns Out for Sessions Over Memorial Holiday

By HOWARD J. BURRIDGE

A faithful and hard working group of 33 assembled at the Edgewater Beach hotel, Chicago, on Memorial Day and



T. H. TOMLINSON

Saturday of last week for the annual meeting of the North Central Round Table of the Life Insurance Advertisers Assn. They carried through their closely packed and carefully arranged sessions altogether unconcerned over the fact that the rest of the life insurance industry was relaxing over "the long weekend."

T. H. ("Ted") Tomlinson, Bankers of Iowa, was general chairman of the meeting, the theme of which was "Life Insurance—the Ideal Property." Several of the speakers indicated that changed and more challenging selling conditions are going to make necessary a greater emphasis on the importance of life insurance as a property investment as well as protection.

Wescott Is Greeter

As the members arrived they found E. S. Wescott, Bankers of Nebraska, at the entrance to the convention room, collecting the \$13 registration fees and dispensing luncheon, dinner and cocktail party tickets. On the day preceding the North Central sessions, there was a meeting of the executive committee of the Life Advertisers Assn., attended by President Powell Stamper, National Life & Accident, and C. Russell Noyes, Phoenix Mutual; Alan M. Kennedy, Northwestern National; F. J. O'Brien, Franklin Life; J. P. Lyons, Manufacturers Life; Norred Trinkle, Shenandoah, and A. H. Thieman, New York Life. They discussed among other things the plans for the annual meeting of the Life Advertisers Assn. which is to be held at Quebec, Oct. 23-25.

The North Central Round Table sessions were not cast in a rigid pattern. All of the speakers interrupted themselves occasionally to ask confirmation or amplification of points they were making. They showed a strong disposition to ask and answer questions. All phases of the work of a life insurance

advertising department were discussed on a give and take basis.

Powell Stamper opened the meeting with his report as president of L.A.A. Mr. Stamper said it is time for the life insurance business to stop basking in past won glory. He predicted that 1947 will be a good year to get back to life insurance sales fundamentals, for reorganizing work habits, prospecting plans and selling objectives. He said that the life insurance fieldman must have methods, training and equipment to meet the less favorable selling conditions that the life insurance business will meet this year. He asked, "Are agents making as many calls as they did? Have you gone highbrow in your material? Does your planning include too few prospects?"

Mr. Stamper said that the L.A.A. is now composed of 154 companies with 300 individual members. He remarked that the theme of the annual meeting in Quebec will be "What's Ahead?" and that Russell Blanchard, Union Mutual, is going to assemble an unusually attractive group of displays there.

Chairman Tomlinson followed with a discussion of the meeting theme and then acted as the prospect while Roy A. Frolick, Equitable of Iowa, gave a blackboard demonstration of how to sell retirement income policies with adequate protection during the pre-retirement period.

First Afternoon Session

W. T. Plogsterth, Lincoln National, presided at the first afternoon session. He had to return to Ft. Wayne at the end of the first day because of the death of Agency Vice-president A. L. Dern of Lincoln National. George Pease, Equitable of Iowa, presided as chairman during the discussion on "How We Promote Family Income." Discussion participants were E. P. Leader, Bankers of Iowa; J. P. White, Lincoln National; W. O. Cummings, Kansas City Life, and George Hamlin, Equitable of Iowa. Mr. Leader, whose

(CONTINUED ON LAST PAGE)

Miami Beach Gets December Meeting of Commissioners

ATLANTIC CITY—The Flamingo Hotel, Miami Beach, was selected by the executive committee at its meeting Sunday for the December gathering of the National Assn. of Insurance Commissioners.

This compliments J. Edwin Larson, Florida commissioner, who at the meeting here was advanced from chairman of the executive committee to vice-president. Superintendent Dineen of New York remarked that New York City had become the traditional December meeting place, but that he was no slave to ritual and that the feelings of Empire State would not be hurt if N.A.I.C. decided to go elsewhere.

Commissioner Butler of Texas said that he had come prepared to issue an invitation for Galveston, but would refrain from doing so in view of the Miami Beach plans. However, he said Galveston wants to be host at some further December roundup.

Fortifying the Miami Beach bid were John Stubblefield, manager of the Flamingo, and James C. Wood of the Miami Beach convention bureau, who spoke briefly. The Flamingo has 15 acres of facilities inside its walls and Mr. Stubblefield said the hotel will be reserved for the exclusive use of the commissioners.

It was announced that Boston had entered an invitation for the convention of June, 1950, and that the Omaha chamber of commerce had asked for the meeting next June.

United Enters California

United of Chicago has been licensed for disability and life business in California and has named William Ault of Los Angeles as general agent.

H. & A. Conference to Make Check on Business Practices

NEW OFFICERS ELECTED

President—George W. Kemper, Fireman's Fund Indemnity.

Chairman of Executive Committee—V. J. Skutt, Mutual Benefit Health & Accident.

First Vice-president—G. A. L'Estrange, Wisconsin National Life.

Second Vice-president—R. H. Belknap, Occidental Life.

Secretary—J. W. Scherr, Jr., Inter-Ocean.

Executive Committee—E. A. McCord, Illinois Mutual Casualty; Jarvis Farley, Massachusetts Indemnity; Dutton Stahl, Iowa State Traveling Men's.

Action looking toward a check on unethical practices by any conference company, having as its objective the



V. J. Skutt



G. W. Kemper

promotion of more healthy public relations, was taken by the Health & Accident Underwriters Conference at its annual meeting in Omaha with the adoption of a resolution which authorizes the business standards committee or a sub-committee thereof to be designated by the chairman "to receive complaints, inquiries or grievances relative to the business standards, practices or conduct of any conference member; to review and investigate such complaints, inquiries and grievances and to seek a satisfactory solution to the problem presented and, failing this, to report its findings and conclusions to the executive committee."

The business standards committee, a new one on the conference roster this year, headed by H.P. Skoglund, North American Life & Casualty, made a preliminary report at the regional meeting of the conference at Milwaukee in February and this resolution was the outcome of recommendations made at that time. It was adopted at an executive session after an extended discussion with Mr. Skoglund presiding. It is understood that considerable of the discussion at that session centered around the advertising done by certain companies.

Resentment of the extension of the "Official Guide for the Approval of Accident and Health Contracts" by insurance commissioners in a way that it is declared has "no sanction in law," which cropped up in a number of the talks at the opening session of the conference annual meeting in Omaha culminated in a threat to withdraw its approval of the Guide if such practices continue. A resolution to that effect was adopted at an executive session.

On invitation of President-elect Kemper, San Francisco was selected for the next annual meeting, May 11-13, with headquarters at the Fairmont hotel.

Takes Over Burial Assn.

Western Life of St. Louis has taken over Barry County Burial Assn. which had over \$17 million insurance in force. The business is being transferred to the Western's standard policies. The total volume now is about \$30 million. H. G. Beedle is president of Western and Charles L. Kell vice-president and director of agencies.

Envelope on the Letter

A century ago, in 1847, there was a new idea coming into use in the matter of letters. That was something we take very much for granted today,—the use of the envelope.

For a long time previous it had been the custom to fold the letter sheet over in such a way as to become its own envelope, seal it with wax and then address it on the back.

The public had quite a lengthy argument before permitting the handy envelopes to become popular. An envelope helped to assure the privacy of its contents but it nevertheless had its opponents. People pointed out that an envelope, provided no evidence that the letter inside had been contained, since there was no postmark on the letter proper. It was feared that if the problem came to court as to whether a letter actually had gone through the mails on a given day the court could point out that there was no post-mark on the letter, but only on a disassociated envelope.

Envelopes finally won out in popularity but the people who opposed envelopes had a pretty sound argument, whether they were old-fashioned or not.

1847 — Penn Mutual Centennial — 1947

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THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

CROSSER REPEAL TESTIMONY

Actuary Shows 85% of RR Men Voluntarily Covered

Among the most illuminating testimony prepared by insurance representatives to be presented at the ill fated House hearing on repeal of the Crosser bill was that by Edward D. Brown, Jr., independent actuary of Chicago, who had determined that more than 85% of the normal number of employees on the railroads have voluntarily provided sickness and accident protection for themselves.

Mr. Brown was well buttressed with figures to support his contention that there is no reason for a program which would encourage railroad employees to abandon plans for self-protection which they had found satisfactory, and instead compel them to participate in a compulsory plan providing benefits which may be considerably less desirable, and which are made uniform for all employees in the same wage bracket, regardless of individual needs.

Assuming that the normal level of railroad employment is 1,200,000 employees, an estimate considerably below the figure in February, 1947, Mr. Brown

estimated there were 1,023,218 railroad employees who had protected themselves against accident and sickness either through insurance companies or relief associations. Total benefits paid by the insurance companies and relief associations in 1946 amounted to \$19,870,991, not including five organizations for which the figures were not available. Inclusion of these would bring the total of claim payments in 1946 to more than \$20 million, according to Mr. Brown.

Mr. Brown was prepared to testify that the Crosser bill provisions present an entirely new concept of unemployment as originally provided by the railroad unemployment insurance act and as provided by the unemployment insurance act in several states. The original concept of unemployment was the inability of industry to provide jobs and that employees thus deprived of employment should be entitled to benefits by reason of this inability of the industry. The Crosser bill, however, expanded the concept of unemployment to include the unemployability of an individual by rea-

son of sickness or accident, in no way caused by or relating to the occupation, and imposes the entire cost of providing such benefits on the employer.

Mr. Brown's written testimony says that the railroad unemployment insurance act provides for financing the plan through contributions from the railroad, amounting to 3% of payroll, not in excess of \$300 per month for any employee. Contributions by the railroad to the fund have averaged nearly \$100 million per year. Benefit payments for the first four fiscal years of operation, ending June 30, 1942, have averaged slightly more than \$10 million per year. In the next three fiscal years, a period of very full employment, benefit payments averaged about \$1 million per year. In the fiscal year ending June 30, 1946, benefit payments increased to \$17,200,000 and for the nine month period from July 1, 1946 to March 31, 1947, benefit payments have totaled almost \$40 million, or an annual rate of about \$53 million. The result has been a tremendous increase in the amount held in the railroad unemployment insurance fund, which is now in excess of \$800 million.

Proponents of the Crosser bill took the position that the railroad employees have a vested right to any surplus in the fund and are entitled to have this money paid out to them in the form of enlarged and added benefits. Mr. Brown said. He comments that here is a condition where the railroads have contributed taxes to provide unemployment benefits with no employee contributions required and an attempt is being made to divert the funds contributed for this purpose to provide other benefits which are not remotely related to the basic concept of unemployment benefits, solely from the standpoint that it was socially desirable, and that the funds were available. Completely overlooked is the fact that if the benefits were over-financed, the railroads were entitled to consideration for a reduction in the excessive tax burden.

contributions to the relief associations are based upon the salary classification of the employee. A death benefit is provided, generally ranging from \$250 in the lowest classification to \$1,250 in the highest. Additional benefits may be secured upon payment of additional contributions. Accident benefits range from 50 cents per day of disability up to \$2.50 per day, generally payable for the first 52 weeks of accident disability and one-half the original amount for an additional 52 weeks. The same benefits are payable for sickness after the first six or seven days which again are continued for the first 52 weeks and halved for the second 52 weeks. While these benefits are comparatively modest, they extend over a considerably greater time than those contemplated under the existing railroad unemployment insurance act, Mr. Brown commented.

These relief associations are maintained on the following railroads: Atlantic Coast Line, Baltimore & Ohio, Chicago, Burlington & Quincy, Norfolk & Western, Washington Terminal, Pennsylvania, Reading, Richmond, Fredericksburg & Potomac, Western Maryland.

In addition, New York Central Railroad Mutual Relief Assn. operates on a

(CONTINUED ON PAGE 27)

The COMMONWEALTH Commentary

A PROFESSION—

But With A Difference

The concept of the life underwriter as a professional man is one which is hit hard and often. It is a concept which is worthy of frequent stress: the services of the life underwriter have an influence on the economic life of the community which is quite as profound as those of the doctor or the lawyer or the architect. But there is a vital difference—a difference which is too often unrecognized—or recognized too late.

When a man is sick he can seek the services of a physician. When he is in legal difficulties he can then select the lawyer of his choice. But when a man and his family come to the point where the services of the life underwriter are urgently needed—then it is too late to call him in. The life insurance estate engineer, unlike any other professional man, must be selected and consulted at a time when the needs he can satisfy and the problems he can solve are so remote as to be only dim and distant possibilities.

Insurance In Force April 30, 1947 — \$320,137,304

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE • MORTON BOYD, President

SUMMARY OF COVER

In support of his contention that railroad employees have demonstrated their ability and willingness to protect themselves voluntarily, Mr. Brown offered the following summary of their non-occupational accident and sickness coverages:

He said that figures supplied by 12 insurance companies, while admittedly incomplete, show that total of 619,634 railroad employees were insured at Dec. 31, 1946. In addition to accident and sickness insurance, most of these companies also offer policies providing hospital and surgical benefits which are available not only to railroad employees, but to other members of the family. The figure, however, represents the number of employees covered under accident and health insurance and does not include additional members of the family.

The data was furnished by Benefit Assn. of Railway Employees, Continental Casualty, Massachusetts Bonding, Equitable Society, Metropolitan, Mutual Benefit H. & A., Order of Railway Employees, Pacific Mutual, Provident L. & A., Travelers, Washington National and Zurich.

During 1946, nine of these companies who insure 585,924 railway employees paid out approximately 165,000 claims, totaling \$9,720,020.

He commented that the coverage under the policies of these health and accident insurance companies generally provides for benefit payments for a longer duration than under the present provisions of the railroad unemployment insurance act, and such benefits are provided for any sickness or accident regardless of the cause.

Mr. Brown was prepared to testify that on nine railroads there have been set up voluntary relief associations which provide sickness, accident and death benefits for members. A very large percentage of the employees of each of the railroads have joined. Con-

I DIDN'T BELIEVE IT COULD BE DONE — A SUCCESSFUL ONE-MAN ONE-DAY SALES CONGRESS.

WHEN THE NEW YORK CITY ASSOCIATION asked Hilbert Rust, C. L. U., to conduct a one-man one-day sales meeting, I felt sorry for Mr. Rust and for the folks who would have the courage to listen from dawn to dusk to one man.

BUT MR. RUST DID THE JOB. Some 600 agents greeted him in a prefatory way at 9:30 A.M. (they had their doubts) and stayed to cheer him at 4:00 P.M.

I THINK IT WAS MORE THAN THE GREAT STORY MR. RUST TOLD. I think it is evidence of the agent's hunger for sound information which will help him place himself squarely in the center of our unusual economic times.

SUCH A MEETING CERTAINLY IS A LONG CRY FROM THE CYNICAL REMARK: "I DON'T WANT TO KNOW ANYTHING MORE — I AM NOT SELLING AS GOOD AS I KNOW HOW NOW."



PAUL SPEICHER
Managing Editor

**THE INSURANCE
RESEARCH & REVIEW SERVICE**
INDIANAPOLIS

Guertin Law Effect Viewed by Menge Before Actuaries

The most important matter facing life insurance actuaries is change from the obsolete mortality table to a more modern basis which becomes mandatory in most states Jan. 1 when the new Guertin laws apply, George S. Ling, actuary of Woodmen of the World, Omaha, declared in his presidential address at a meeting of the Fraternal Actuarial Assn. held in Chicago, the day before the American Institute of Actuaries meeting convened there. The question facing fraternal actuaries, he said, is how this legislation will affect the fraternal. If they do not change over, will they be considered behind the times? he asked. If they elect to modernize, how about the state statutes relating to this matter?

Much of the discussion related to the Guertin laws and the newer C.S.O. mortality table, which however applies specifically at present only to the old line life companies and not the societies.

Frank H. Lee, Woman's Benefit, Port Huron, Mich., said one of the most important questions in this connection is approval by the insurance department of the proposal to authorize fraternal to use the C.S.O. base. He said it appears likely some societies would be heading for trouble if they should attempt to use this base, especially those which are not sufficiently careful about risk selection.

A number of societies have adopted the C.S.O. table for use on some or all new issue and probably most of them are considering doing so, for the C.S.O. table is far more realistic.

An interesting talk was given by Walter O. Menge, vice-president Lincoln National Life, on what to expect from the Guertin laws and use of the C.S.O. table. There should occur little if any change in net costs, he said, as these are determined by actual mortality incurred and actual interest earned, and nothing in the new legislation can affect these factors, favorably or adversely. Change of the mortality table merely changes assumptions and not facts.

Expects Dividend Changes

The difference between assumption and facts finds its way into dividends on participating policies, so C.S.O. probably would bring some changes in dividend scales. Because the assumed interest rate is reduced, the interest contribution to the dividend will be higher. Because the C.S.O. table has lower mortality rates, particularly at younger ages, mortality contribution at these ages will be smaller. The combined effect will be a dividend scale which starts lower at younger ages and rises more sharply than at present. Greatest effect will be observed on limited pay and term policies.

Since non-participating policies have been based on realistic assumptions, he said, these are not affected materially by the new legislation.

Little if any effect on business production will be observed. Life companies have made other radical changes in the past without affecting production.

The new minimum valuation basis under C.S.O., being higher is safer, he said. It requires companies' liabilities to be more adequately covered than at present. As in the past, it is likely most companies will maintain reserve liabilities in excess of the required minimum. Mr. Menge stressed that the standards set up in the Guertin laws are minimum.

It is estimated slightly larger reserves will be produced in the aggregate for a company's entire business. Policy reserve and surrender value will be dissociated. The old surrender charge concept will be eliminated and reserves and surrender values may be determined independently. This will permit companies

to strength reserve bases from time to time without unduly favoring policyholders who terminate their policies.

It does not appear now that many companies will make use of the opportunity to have an interest differential between reserves and cash values, Mr. Menge said, although this may come later if found desirable to strengthen reserves through decrease in interest rate and reserves. Many companies will adopt the new adjusted premium method of defining cash values set up under the laws, but some probably will retain the old "reserve less surrender charge" method.

Most of the changes set in motion by the laws have an internal effect upon home office operations but little if any effect on men in the field.

Comment on reserve strengthening was made in a paper by F. C. Staffer, assistant actuary Modern Woodmen, Rock Island, Ill. He stressed that factors which influence old line companies may not apply with equal force to fraternal because of their somewhat different nature. As contrasted to the high dividend conception of many old line companies, much fraternal insurance in the past was issued with no thought of returning dividends to any-

one. The assumptions made as to mortality and interest, he said, were those which the societies believed most likely to be realized in normal course of business, and which produced premiums that provided the individual purchaser of insurance the most protection for the least premium dollar.

"The fraternal insurance societies were perfectly justified in making such assumptions," he said, "and the actuarial considerations of such legal reserve insurance as was issued on that basis were entirely valid. In other words, it is entirely possible to issue insurance

(CONTINUED ON PAGE 26)

A Complete SECURITY PROGRAM for Mutual Life Field Underwriters

First we introduced The Mutual Lifetime Compensation Plan

which gave our Field Underwriters a contract hailed by them as "the finest in the business."

This plan stabilizes income, thus minimizing the effect of fluctuating volume. It also provides substantially larger earnings for the career underwriter, through extra compensation for quality business, and for service to policyholders. In addition the Lifetime Plan provides for a generous retirement income.

NOW
we've added an
**INSURANCE BENEFIT
PLAN**
to provide
**LIFE INSURANCE
ACCIDENT & SICKNESS BENEFITS
HOSPITAL BENEFITS
SURGICAL BENEFITS**

The costs of these benefits are shared by the Company and the Field Underwriters.

The new Insurance Benefit Plan, giving liberal protection against major hazards, is a logical supplement to our Lifetime Compensation Plan. Together they go far toward bringing personal security into the lives of our Field Underwriters, men and women who devote their careers to bringing the security of life insurance into the lives of their neighbors.

Our 2nd Century of Service

THE MUTUAL LIFE
INSURANCE COMPANY of NEW YORK

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New York 5, N. Y.

Equitable of Iowa Agents Roundup Is Largest Ever

Leading producers and general agents of Equitable Life of Iowa, members of their families, and home office hosts, attended the 35th annual production clubs convention at Edgewater Beach Hotel, Chicago. Sessions ran from Monday through Thursday. It is the largest convention in the history of Equitable.

R. E. Fuller, agency vice-president, who presided at the opening session and at the banquet, was the officer in charge.

The convention theme was "The Quest For Quantity and Quality," and the various aspects of that subject were



R. E. Fuller



F. W. Hubbell

thoroughly treated during the week by a large number of field men and home office executives.

A review of production attainments during the first five months of 1947 and throughout 1946 was contained in the address of President F. W. Hubbell at the banquet Monday. Mr. Hubbell said production for the first five months approximated \$50 million. He congratulated the men upon the substantial gains in life insurance in force due to the large volume of new business and the low lapse ratio. Life insurance in force had increased more than \$33 million since Dec. 31, to a new high of \$868 million.

Awarding of honors based on production achievements was a feature of the Monday business session as well as of the production clubs banquet that night. R. G. Hunter, vice-president and actuary, distributed additional renewal awards to 206 agents in recognition of the attainment of high conservation ra-

tios during 1946 on business originating in 1945. He also presented conservation awards to the four general agents whose agencies' 1946 renewals of 1945 new business were the highest in the company; they being T. J. Binder, Portland (retired as general agent Jan. 31, 1947); C. A. Peterson, Grand Rapids; R. G. Lauer, Williamsport and T. M. Hussey, Topeka.

Club Officers Decorated

Mr. Fuller introduced and presented insignia of office to the agents and general agents whose 1946 records had earned them officerships in the various clubs as follows: Organization Club (general agents only), H. A. Hedges, Kansas City, president; V. W. Wiedemann, San Francisco, vice-president; President's Club, R. H. Sheldon, Los Angeles, president; W. H. Robbins, Kokomo, vice-president; H. R. Ward, Detroit, secretary—Agency Club, Ray Wernimont, Cedar Rapids, president; G. W. Burton, Grand Rapids, vice-president; C. E. Schultz, Sioux Falls, secretary.

John M. Utter, Seattle, was presented as the 1947 member of the hall of honor, the highest recognition attainable by an Equitable soliciting agent. F. A. Smart, general agent, Detroit, was presented as the winner of the 1947 master agency builder award, the highest recognition attainable by a general agent. Additionally, recognition was accorded to a large group of members of the Equiowa One-A-Week Club, each of whom had attained noteworthy major anniversaries in their club careers since the 1946 convention. Heading the list of those so recognized was the dean of the One-A-Week Club and only remaining charter member, Ben Bloch, Peoria, who as of Dec. 21, 1946, had completed 1,400 weeks, or 28 years.

Speakers at the Monday morning business session included B. F. Green, Marshalltown, Ia., on "The Distilled Wisdom of Thirty-Six Years"; W. E. Lowenberg, Ft. Madison, Ia., on "Plans and Results in Action," and Q. R. Cowman, Harrisburg, on "The Life Underwriter of Tomorrow."

Monday afternoon was devoted to the traditional golf tournament and to a tea for non-golfers. At the banquet that night, Mr. Fuller was the toastmaster, and Mr. Hubbell the speaker.

The Tuesday business session featured five major addresses: "Keeping Simple Programming Simple," by J. C. Donohue, Baltimore; "Direct Mail in Action," by M. E. Asfahl, general agent, Oklahoma; "My Quest for Quantity and Quality," by L. J. Beaucage, Portland; "Completing the Sale," by Vernon Bond, Cleveland, and "The Company's Quest for Quality," a closing address by Mr. Hubbell.

Following a tea during the afternoon, the Agency Club convention adjourned.

Business Meetings of Clubs

On Wednesday and Thursday the President's Club and the Organization Club each held their own business meetings. The President's Club, meeting Wednesday morning, featured social security sales plans, business insurance, and general selling ideas presented by the following: J. F. Kavaney, Seattle; C. P. Spahn, Chicago; W. A. Esry, Kansas City; R. F. Mathews, Detroit; P. L. Crouch, Jr., Des Moines, and R. H. Sheldon, Los Angeles. The session was presided over by E. E. Cooper, assistant agency vice-president.

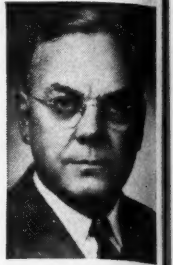
The Organization Club meeting Thursday morning, under the guidance of E. E. Smith, assistant agency vice-president, featured "The New Selection System in Operation," by Mr. Cooper; "How I Coach on the Job," by Herman Schmidt, Jr., general agent, Spokane; "An Integrated Social Security Sales Plan," by G. L. Hamlin, assistant superintendent of agencies; "Agency Building Principles That Have Worked For Me," by F. A. Smart, general agent, Detroit, and "Teamwork," a closing address by Mr. Fuller.

The annual president's banquet was held Wednesday night.

Frederick Smart, winner of the "master builder" award, is a lifetime resident of Detroit. He started as an agent and supervisor in 1913. He was elected an officer in a Detroit brokerage firm in 1923. In 1926, he joined Equitable as Detroit agency head, and during the



John M. Utter



F. A. Smart

past 21 years has built one of the outstanding agencies. He has earned membership in every Organization Club since 1927, and has been a club officer on six occasions.

John Utter, "Hall of Honor" award winner has been an Equitable man throughout his life insurance career. He studied at University of Washington, and entered life insurance following several years as an accountant. In his 18 insurance years he has established a notable production record as reflected by memberships in 13 Production Clubs, a One-A-Week Club record of 910 weeks dating back to the signing of his contract and the distinction of having twice paid more than \$1 million of new life insurance during a calendar year, once in 1943, and again in 1946.

N. W. Mutual Okla. Rally

Approximately 30 agents and their wives attended the two-day meeting of the Oklahoma agency of Northwestern Mutual Life at Oklahoma City. The conferences, conducted by General Agent Albert B. Irwin, were largely educational, terminating with a banquet. Home office executives in attendance were Grant L. Hill, vice-president and director of agencies; L. J. Evans, assistant director of agencies, and Harold Gardiner, educational director.

Effective June 1, 1947

INDUSTRIAL LIFE AND HEALTH INSURANCE CO.

changes its name to...



HOME OFFICE — ATLANTA

The change is in corporate designation only. There is no change in management or agency personnel. Since 1891, this institution has steadily broadened its services—now offering complete Ordinary as well as Industrial coverage.

AGENTS' BENEFITS

List Companies with Pensions, Group, Service Fees

The first of the projects by the newly created subcommittee on research and compensation of the committee on agents' compensation of N.A.L.U. is a listing of companies which have pension plans, service fees or continuous renewals and one or more forms of group coverage for their agents. Pasquale A. Quarto, John Hancock, as vice-chairman of the compensation committee, headed the research which was implemented by members of the N.A.L.U. headquarters staff.

In the following lists, the subcommittee comments that many other companies now have such plans and coverages under consideration, and that the lists are incomplete. An additional 11 companies domiciled in Canada, but doing business in the U. S. have pension plans for their agents. Representatives of the companies listed as having pension plans constitute 76% of the membership of N.A.L.U.

In releasing the lists, both H. Kennedy Nickell, Connecticut General, Chicago, chairman of the compensation committee, and James E. Rutherford, executive vice-president of N.A.L.U., expressed opinion that the lists are incomplete and requested that agents knowing of other companies which could be added to the lists send in their names.

U. S. companies having pension plans for agents are: Acacia Mutual, Aetna, Atlantic, Bankers of Iowa, Bankers of Nebraska, Bankers National, Berkshire, Boston Mutual, California-Western, Carolina, Central of Iowa, Colonial, Columbian National, Commonwealth, Connecticut General, Connecticut Mutual, Continental American, Continental Assurance, Equitable Society, Equitable of Iowa, Equitable of D.C., Federal, Fidelity Mutual, Fidelity Union, Great National, Guarantee Mutual, Guardian, Home of New York, Home Beneficial, Indianapolis, Jefferson National, John Hancock Mutual, Kansas City Life, Liberty National, Life & Casualty, Life of Virginia, Lincoln National, Massachusetts Mutual, Metropolitan, Midland Mutual, Monarch, Monumental, Mutual Benefit, Mutual Life, Mutual Trust, National Life & Accident, National of Vt., New England Mutual, New World, New York Life, North American of Illinois, North American Life & Casualty, Northwestern Mutual, Ohio National, Old Line, Penn Mutual, Phoenix Mutual, Pilot, Provident Mutual, Prudential, Republic, Republic National, Security Mutual of Nebraska, Security Mutual of New York, Southwestern, Standard of Oregon, State Farm, State Mutual, Sun Life of Maryland, Union Central, Washington National, West Coast, Western, Western & Southern, Wisconsin.

The following U. S. companies have adopted a plan of compensation for strictly ordinary agents which includes the service income or continuous renewals. In some cases the plan has been adopted recently while in others it has been in effect for many years. In addition to the following companies there are several Canadian and U. S. companies which extend renewal compensation under certain circumstances through the 15th or 20th policy year. U. S. companies paying continuous renewals or service income are:

Acacia Mutual, American General, American United, Bankers of Iowa, Beneficial, California-Western States, Capitol of Colorado, Commonwealth, Connecticut General, Connecticut Mutual, Continental American, Equitable of Iowa, Equitable Society, General American, George Washington, Home of New York, Indianapolis, Lamar, Massachusetts Mutual, Monarch, Mutual Life, Mutual Savings, New England Mutual, New York Life, North American Life & Casualty, Northwestern Mutual, Occidental of California, Ohio State, Pacific Mutual, Penn Mutual, Phoenix Mutual, Provident Mutual, Prudential, Reliance, Republic National, Security Mutual of Nebr., Security Mutual of New York, Southland, State Farm, State Mutual, Union Central and West Coast.

Companies granting group life insurance benefits for ordinary agents are: Acacia Mutual, American Mutual, Bankers of Iowa, Beneficial, Business Men's Assurance, California-Western States, Columbian National, Commonwealth, Connecticut General, Equitable Society, Equitable of Iowa, Federal, Franklin, General American, George Washington, Great National, Jefferson Standard, John Hancock, Life of Virginia, Lincoln National, Massachusetts Mutual, Minne-

sota Mutual, Mutual Life, National of Vermont, North American Life & Casualty, Occidental of California, Penn Mutual, Phoenix Mutual, Provident Life & Accident, Provident Life, Prudential, Security Mutual of Nebraska, Security Mutual of New York, Shenandoah, State Mutual, Union Life of Arkansas.

Companies offering ordinary agents hospital and surgical group are: American General (hospital only), Bankers of Iowa, Business Men's Assurance, California-Western States, Columbian National, (hospital only), Connecticut General, Equitable Society, Equitable of Iowa, General American, Indianapolis, John Hancock, Life of Virginia, Lincoln National, Massachusetts Mutual, Mutual Life, North American Life & Casualty, Penn Mutual, Phoenix Mutual, Provident Life & Accident, Provident Life, Prudential, Security of New York, State Mutual, Union Life of Arkansas.

Accidental death and dismemberment is offered by Equitable Society, John Hancock, Provident Life, Union Life of Arkansas. Accident and sickness is offered by Mutual Life, Penn Mutual, Phoenix Mutual, State Mutual.

Providing medical care group cover to agents are California-Western States, Equitable Society, and State Mutual.

Voss Heads A.L.C. Medical Section

Officers elected by the Medical Section of the American Life Convention



Dr. R. C. Voss

Dr. Voss was authorized to appoint a special committee to consider a proposal that a medical insurance board be established to certify the qualifications of life insurance medical officers, the committee so established to be reported to the executive committee of A.L.

Dr. Voss joined Pan-American in

1923 as assistant medical director and became associate director in 1945. Born in New Orleans, he was educated at Tulane and served in the first world war.

Recruiting Up 23% in First Quarter

A survey by Life Insurance Agency Management Assn. shows that 23% more full time agents were contracted in the first three months of 1947 than in the preceding three months. The survey covered 37 ordinary life companies. The figure is 39% below the number for the same period in 1946, but shows a reversal in the downward trend of contracting in the last three quarters of 1946.

Production of the 1,306 agents contracted this year shows only a slight decrease per man per month from the average of those recruited in the same period a year ago. The figures were \$7,230 in 1946, and \$7,040 in 1947. During the same three months, production of ordinary companies increased 20% over 1946.

Of the new agents taken on this year 77% had no previous life insurance selling experience.

400 years ago this type of "coverage" was considered Complete Protection

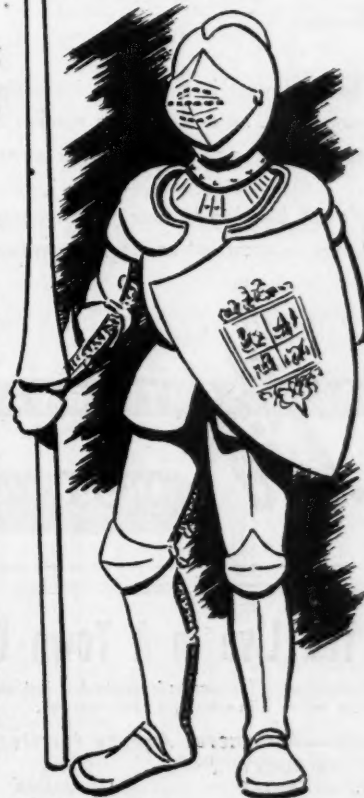
Today, Provident Producers find it profitable to recommend a balanced program including:

LIFE INSURANCE* . . All modern forms of Guaranteed Rate Ordinary from birth to age 65. Substandard, Salary Savings, Annuities, and Non-Cancellable Disability combined with wide choice of Life plans.

DISABILITY INSURANCE* . . Every form of Accident and Sickness coverage — including Franchise plans for five or more employees. Non-Cancellable Disability policies. Special Risks coverages.

HOSPITAL INSURANCE* . . Issued on Individual, Family Group (ages 3 months to 80 years) and Franchise plans. Hospital Room and Board, Miscellaneous Hospital Extras, Surgeon's Fees and Medical Care.

* All written on Group Plans (minimum of 25 employees) and on special forms designed for Railroad Employees.





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Room...

to grow in!

An outstanding advantage which Great Southerners enjoy is the excellent opportunity for unlimited development and expansion of their careers as life underwriters.

Great Southern cooperation with these career builders is extremely broad and includes a continuing program of personalized training and supervision, with liberal first year and vested renewals.

The Southwest is a field of increasing population and wage earners... an ever-growing number of householders with new responsibilities and the need for more insurance protection.

We will be glad to hear from men and women searching for "room to grow in" as life underwriters.

GREAT SOUTHERN
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Your opportunity for success is greatest in just such towns and we have something good to sell — with attractive compensation.

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Allen May, President

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N.Y. Managers Assn. Eyes Rising Agency Costs

NEW YORK—Faced with the prospect of rising rents and falling sales, the New York City Life Managers Assn. devoted its spring meeting to consideration of the cost of agency management. Concern about costs is augmented by the 26% decrease in April business in New York City and 14% drop for the first four months.

Association President J. M. Fraser, Connecticut Mutual, opened the meeting and presented L. W. Sechtman, Aetna Life, who introduced the two speakers, L. S. Morrison, research consultant of L.I.A.M.A., and H. J. Bossert, Jr., assistant manager of agencies Provident Mutual. Following the talks there was a round table discussion during which the managers indicated that their chief cost concerns were with rents and salaries.

Using a cost analysis based on data submitted by the managers, Mr. Morrison said the sampling he had received was representative of New York City agencies generally.

How Costs Are Allocated

His report was based on the years 1944, 1945, and 1946. There was an increase in costs but he said increased production made agency operations cheaper. First-year costs were broken down into 10 divisions: clerical salaries, rent, postage, stationery, printing and supplies, telephone and telegraph, travel, advertising and promotion, sundries, supervisors and financing losses. Renewal costs were related to the number of renewal premium collections, under five categories: clerical salaries, rent, postage, telephone and telegraph, and all others.

Non-weighted first-year averages, which assume all agencies to be the same size, showed a decrease in rent expense ratios for the years 1944-1946. For each \$1,000 of new business this item amounted to \$1.56, \$1.29, and \$1.04, respectively, for the years 1944-46. This was compared to the results of a survey for the years 1926-1929 covering 50 agencies of which six were in New York. At that time rent amounted to 94 cents per \$1,000. Related to renewal expenses rent expense has remained constant during the last three years at 14 cents per collection.

Rent's Place in Total Cost

Mr. Morrison also gave the rent figures as a percentage of total first-year expenses and showed that for 1944-46 rent had fallen from 21% to 18% and finally dropped to 16%. He also compared rents with the same items in reports for the 50 agencies in the 1926-1929 period. The New York City rents were 18% of the total first-year cost in the last three years; the rents for the 50 agencies in 1926-1929 were 22%. Mr. Morrison said that the greater volume and higher per capita production in New York made rent ratios lower.

In the open discussion the managers showed more interest in the future than the past. A number presented their rent problems. Most seemed to feel that their locations are valuable to them and that a move would be costly, even if they could find other space. In view of this they do not want to go on a month-to-month basis as tenants, yet they have found that to sign a lease they must pay additional rent.

LOWEST BOOST 15%

Mr. Fraser reported the lowest increase. He signed for a 15% rise in rent but majority of the rent rises reported ranged from 20 to 50%. One manager reported a rise of 100%.

Salaries were second in importance to the managers. Mr. Morrison listed unweighted clerical salary figures listed to first-year business for 1944-1946

as \$2.40 per \$1,000, \$2.36 in 1945, and \$2.16 in 1946. Supervisors' salaries were \$1.36 in 1944 and 1945 but rose to \$1.53 last year. From 1926 to 1929, clerical salaries were \$1.13 per \$1,000. Salaries for renewal operations went from 58 cents per collection in 1944 to 62 in 1945 and reached 66 cents last year.

Mr. Bossert attributed the higher salaries in New York to the generally higher salaries prevalent in the city and to the fact that more clerks are used per unit of business done. Keen competition in New York has brought about more sales work with proposals and presentations and more follow-up work. Higher clerical salaries, he pointed out, are being offset by the higher average per case and the higher average per agent.

During the general discussion, Mr. Bossert suggested that it might be possible to cut down clerical salaries merely by failing to replace employees who leave. A number of managers said they often tried to combine the problem of decreasing staffs with curtailment of rent and general overhead. They considered marginal producers as possible liabilities in the light of steadily increasing office and space costs. By eliminating marginal producers they might release floor space and also cut down on other items of overhead. Many of these do mainly a general brokerage business.

Mr. Morrison illustrated the over-all picture by giving the figures on total first-year costs. From 1944 to 1946 the yearly average based on the total costs per \$1,000 were \$7.42 in 1944, \$7.07 in 1945 and \$6.60 in 1946. As compared with these he gave the weighted averages for the same period. These averages take into account the amount of business done by the agency. These averages also have decreased during the three-year period, falling from \$7.14 to \$6.80 and finally \$6.63. Figures for the median agencies for the same period were \$6.84, \$6.14 and \$6.05.

Renewal costs have gone in 1944-46 from \$1.06 to \$1.24 and finally reached \$1.32. At the same time premiums per collection increased from \$100.09 to \$109.71 with a high of \$117.71 last year. Thus, the renewal expense ratio went from 1.06% in 1944 to 1.13% in 1945 and 1.12% last year.

Consultants Recommend Wis. Department Changes

MADISON, WIS.—Findings and recommendations affecting the Wisconsin insurance department are contained in a survey made public by the Wisconsin legislative committee that has been studying the reports made by Griffenhagen & Associates, Chicago consultants in public administration, which also cover other state departments.

Recommendations were made that the insurance commissioner be relieved of his duties as state fire marshal and that investigation of arson cases be placed with another department, possibly the attorney general. The survey points out also that the insurance department is not overstaffed, but additional workers would be needed after the state takes over more strict supervision of insurance rates, as provided in current legislative measures.

Another recommendation is that underwriting expenses of the state life and fire funds be placed under legislative control. Investigators noted that under present arrangements "there is no means for preventing an unscrupulous commissioner from overstaffing these divisions, nor from hiring additional employees."

The legislative committee that has been studying the Griffenhagen reports is releasing studies as they are completed but no action has been taken on the recommendations in the reports of the consultants.

A. L. Agency Dies

Alfred director

A. L.

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Attendee Each contains attended conventi headed such cor the Sale His de Lincoln This wi however Dern it would g been m without Mr. D agement tion and men, an outstand agency general cruited force w maximum stressed favorabl proper i or agenc Severa

A. L. Dern, Noted Agency Leader, Dies at 61

Alfred L. Dern, vice-president and director of agencies of Lincoln National Life, died May 29 of a cerebral hemorrhage with which he was stricken only a few days before. He was 61.



A. L. Dern

News of Mr. Dern's death came as a sudden shock to his friends. Only two weeks before, he had returned from a five-week vacation, his first since before the war, and appeared to be in excellent health. He had been at the office Monday, became ill that night, and was removed to the hospital Tuesday evening.

Mr. Dern had been in life insurance work for almost 40 years. He began his career as an agent and his experience covered many phases of the work. He joined Lincoln National Life in 1917 when the company reinsured Pioneer Life of Fargo. Later that year he was appointed superintendent of agencies. He held successively the positions of manager of agencies, vice-president and manager of agencies, and vice-president and director of agencies. He was elected to the board in 1923 and had been the head of the agency force since 1933.

Widely Known as Agency Head

Mr. Dern was recognized as one of the foremost agency directors in the business. He knew the insurance business in all of its phases and had the ability to impart that knowledge to others. He was endowed with a strong personality and inspired confidence. He attracted the loyal support of agents. His labor was with men, among whom he was accepted as a gifted leader, possessed as he was with a sound judgment and honesty of purpose and a deep and patient understanding.

In addition to his company work, he held numerous positions in national life insurance affairs. He had served as chairman of the Agency Section of the American Life Convention, and chairman of Sales Research Bureau. He was a director of Life Insurance Agency Management Assn. and also served as chairman of that organization's committee of field personnel and a member of the committee on training.

Attended All L.I.A.M.A. Meetings

Each year the program of L.I.A.M.A. contains a listing of those that have attended the largest number of such conventions consecutively and Mr. Dern headed the list. He had been at every such convention since the beginning of the Sales Research Bureau.

His death comes just on the eve of the Lincoln National agency convention. This will be carried out on schedule, however. Due to the illness of Mrs. Dern it had been doubtful that Mr. Dern would go anyway and the plans had been made right along to get along without him.

Mr. Dern's philosophy of agency management centered around careful selection and thorough training of qualified men, and he concentrated on promoting outstanding agents to fill general agency openings. He looked on his general agents as generals who recruited and trained their own agency force with minimum intervention but maximum help from the home office. He stressed insurance in force figures and favorable persistency records as the proper index of the success of an agent or agency.

Several important Lincoln National

associates were at Chicago Friday morning either for the meeting of American Institute of Actuaries or Life Advertisers Assn. and that group was much upset when word was gotten to them. They included Cecil F. Cross, W. T. Plogsterth, J. P. White, advertising manager, and several from the actuarial department.

Mr. Dern is survived by Mrs. Dern and two sons, John of San Francisco, and James of Canajoharie, N. Y., and one grandchild.

Chicago Cancer Fund Drive Produces \$65,000

The American Cancer Society has expressed its appreciation for the work done by Chicago life men in its recent drive for funds. An appeal to the Chicago Assn. of Life Underwriters resulted in 221 life agents volunteering for service and their securing \$65,000 in donations. Twenty-five percent of \$150,000 allocated to research has been added to the Louis Behr Memorial Fund, which is a project of the Million Dollar Round Table. The agents report contributors were eager to cooperate. Doris Greene, cashier Kraft agency, Metropolitan Life, reported 10 names

assigned to her produced total contributions of \$1,100. One agent made 300 calls.

Security Mutual Life, N. Y., Raises Ceiling on Company Group Plan to \$10,000

Security Mutual Life of New York has increased the ceiling on its group life policy for producers from \$5,000 to \$10,000, effective July 1. The announcement was made at the company convention at New Orleans.

The group plan was introduced in 1940 with a \$3,000 maximum and increased in 1945 to \$5,000. President Frederick D. Russell made the announcement and added that "as the company's growth continues and the agency force increases, it is possible that the limits will again be revised upward."

The amount of group life available for any agent will be based on the amount of insurance in force at the end of 1946. For general agents, computation will be on the same basis, or alternately on combination factors of length of service and annual agency production. In all cases credit will now be given for accident and health and group premiums,

which will result in most agents being favorably affected.

Mich. Bill Seeks Four-Year Term for Commissioner

LANSING, MICH.—Requiring only Gov. Sigler's approval, an act has been passed by the legislature to establish a four-year term for the commissioner, thus assuring a tenure in that office that has been enjoyed by only three commissioners in the last two decades.

The house passed the bill. Under present law the commissioner holds office at the pleasure of the governor and until a successor has qualified, so a change in the department head was a virtual certainty whenever there was a change in chief executives, particularly if of different political faith.

Governor Sigler, a Republican, several weeks ago announced reappointment of Commissioner Forbes who had held office for two terms under former Governor Kelly. The present executive, however, has not sought senate confirmation and it is presumed this will not be done until the new law becomes effective, thus assuring Commissioner Forbes an additional four years in office.

HE MUST READ OUR ADS !



● He knows that "The Future Belongs To Those Who Prepare For It"—and he does something about it.

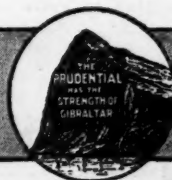
And what about the person who wants to retire some day and take things easy? He, too, can do something about it with Prudential's new Retirement Annuity contract.

It is written at ages 10-60 with purchase price installments payable as frequently as monthly if desired. And the lifetime monthly income—guaranteed for ten years in any event if desired—can be arranged to start at any time after three months from the date of issue, subject to a minimum income requirement of at least \$10 monthly.

A death benefit, equal to the cash value or purchase price installments paid, whichever is greater, and a dividend provision add to the attractiveness of the contract. And because the contract is flexible it can be adjusted to meet the purchaser's changed needs or desires.

Prudential representatives and brokers welcome this new contract. And their prospects do, too!

THE PRUDENTIAL
A MUTUAL LIFE INSURANCE COMPANY



INSURANCE COMPANY OF AMERICA

HOME OFFICE NEWARK, N. J.

Fort Named on Tenn. Board Handling Retirement Plan

NASHVILLE—Governor McCord has appointed a state retirement board which will administer the retirement plan for some 9,000 state employees provided for by the legislature. Rufus E. Fort, Jr., assistant vice-president and a director of National Life & Accident, was appointed a member of the board.

Pass Fla. Qualification Bill

A life agents' qualification bill has passed the Florida legislature and has gone to the governor's desk. It gives all agents (industrial and ordinary) the privilege of a temporary license for 90 days, during which time they must pass an examination before the insurance commissioner. After Jan. 1, 1949, however, ordinary agents will not have the temporary licensing privilege before taking an examination.

Honor Phyllis Heck, Omaha

LINCOLN, NEB.—Phyllis Heck, Omaha, was elected head of district Tau Phi Lambda at the Woodmen Circle founders district 1 semi-annual convention here; Phyllis Snyder, Omaha, vice-president; Deanie Martin, Omaha, sec-

retary; Maxine Schrieder, Lincoln, treasurer; Betty Zurcher, Omaha, warden; Lois Gillette, Lincoln, historian; Glynn Jean Farquhar, Omaha, chaplain. Omaha was chosen as the site of the next convention.

Erbe Houston President

Welcome J. Erbe, general agent of Lincoln National Life, was elected president of the Houston Assn. of Life Underwriters. He succeeds Bruce Patterson, general agent of John Hancock. Cape DeWitt is vice-president.

Durham Managers Elect

Hurley J. Shaw has been elected president of the Durham (N. C.) Life Agency Managers Assn. to succeed R. Thurman Taylor. J. J. Thornton is vice-president and J. C. Lentz, secretary.

All-Southern Feud On

The "All-Southern Feud" is under way again. This is the annual production contest between agencies of North-western Mutual Life in Virginia, North Carolina, Tennessee and Georgia. It will run for three months through August. Last year Tennessee carried off first honors.

Gauchel 800-Week Agent for North American

Herman J. Gauchel, manager for North American Life of Chicago in Racine, Wis., has completed more than



HERMAN J. GAUCHEL

800 weeks of consecutive weekly production, an all-time record in North American's 41 years of history. He is retiring president of the Racine-Kenosha Life Underwriters Assn. Mr. Gauchel's persistency record is as good as his production record.

Dedicate Fountain in N. C. to Root of W. O. W.

A memorial fountain to Joseph Cullen Root, founder and first president of W. O. W., Omaha, was unveiled, and dedicated as an event in the "Fraternity in Action" program of the society at Hendersonville, N. C. White Pine Camp 213 and other local camps of the district took part. The fountain is of marble in the form of the tree-stump emblem of W. O. W. It was near there that Mr. Root died Dec 24, 1913, while on a tour of the south. Farrar Newberry, president, paid tribute to Mr. Root for his 23 years' service to W. O. W. Present also were several hundred members of camps in western North Carolina, eastern Tennessee, Georgia, South Carolina and West Virginia. A banquet and dance concluded the program.

National directors of the society present included former Georgia Gov. E. D. Rivers, Lakeland, Ga.; T. Alex Heise, Columbia, S. C.; J. B. Cobb, Nashville; C. A. Hines, Greensboro, N. C., and M. B. Hurt, national treasurer, Murray, Ky., who spoke at the banquet.

Head Consul C. G. Simmons, Kinston, N. C., and Nick T. Newberry, Charlotte, N. C., state manager, who assisted in setting up the memorial were guests.

Baltimore C.L.U. Officers

Officers of the Baltimore chapter of C.L.U. are H. K. L. Hurrelbrinck, Jr., reelected president, Harry C. Hoffmann, vice-president; Nathan S. Jacobson, treasurer; Morris B. Hack, secretary. Directors are James L. Wynne, Max Abramovitz, H. E. Turner and Michael Miller.

Win Boston Mutual Trophy

Topping all 32 districts of Boston Mutual Life, the Boston agency has won the annual president's trophy. President Jay R. Benton will soon make his presentation to Superintendent Joseph White at a victory celebration for the Boston staff and other company leaders.

Honors in this annual event are on an average per man basis for combined volume of new insurance sales, giving districts of all sizes an equal chance. This is the third time in recent years that the Boston district, under Mr. White, has won a trophy. As in 1940 and 1943, he set the pace for his district this year by personal ordinary production.

Albert N. Butler Dies Suddenly at N.A.I.C. Meeting

ATLANTIC CITY—While in Atlantic City for the National Assn. of Insurance Commissioners annual convention, Albert N. Butler, vice-president of Corroon & Reynolds group of fire companies, died in his hotel room here at 7 o'clock Tuesday morning following a heart attack. He was 58 years old. He had had a heart ailment for about two years, though it was not known even to his close associates. His death was entirely unexpected. A doctor was called as soon as he suffered the attack but Mr. Butler was beyond medical aid. He survived long enough, however, for a priest to administer the last rites of the Catholic church.

Mr. Butler was apparently in the best of health the evening before his death. He had been here since Thursday and had remarked to friends that he had never felt better. Easily one of the most popular figures at the N.A.I.C. conventions, he had been attending them for more than 30 years, starting soon after he joined the New York department as a stenographer.

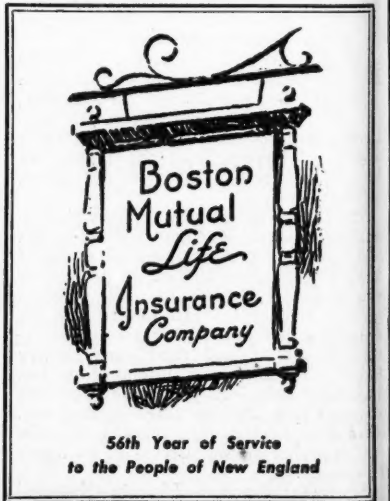
At the midyear N.A.I.C. conventions, held usually in New York City, Mr. Butler was the perennial chairman of the local arrangements committee and did a superhuman job of looking after things, from the big luncheon which the insurance industry gives in honor of the commissioners, down to the smallest details. With all that he had to do, however, he found time to mingle with his many friends. As one of his close friends said, "he lived for these meetings."

When Mr. Butler was a young man with the New York department, Superintendent Jesse Phillips, now chairman of Great American Indemnity, noticed his abilities and promoted him from stenographer to examiner. He later became chief fire company examiner. He left the department to go with a stock exchange firm in 1930. The next year he returned as a deputy, first in Albany and later in New York City. He was in the liquidation bureau and had charge of the Globe & Rutgers rehabilitation. When this was completed, in 1933, he went with Corroon & Reynolds. Both his sons are insurance men. Albert, Jr., is with Aetna Fire and James is a junior examiner in the New York department.

Because of his death the Pamunkey ceremonies, traditional at annual meetings of the N.A.I.C., were called off.

Exline Columbus President

Fred M. Exline, Connecticut General Life, has been elected president of the Columbus, O., General Agents & Managers Assn. Herbert Prouty, Travelers, is vice-president; Fred W. Merselis, Sun Life, secretary.



"Got a moment, Mr. Barclay? We'd like to speak to you about some business partnership insurance!"

Bankerslifemen Are Looked to for Good Advice

Well-known and respected in their communities, typical Bankerslifemen are apt to have questions about insurance asked them by people of both sexes and all ages.

This respect as an authority has been earned by a Bankerslifeman on the basis of careful qualification and preparation. From his earliest days in his agency he is trained under skilled supervision . . . both in theory and actual field selling. At the same time he is studying for and attending a series of schools under home office administration.

When he has finished this course of training the typical Bankerslifeman is bound to understand the answers about insurance. This is a good reason why you will find the Bankerslifeman the kind of life underwriter you are glad to know . . . as a friend, fellow worker, or competitor.

BANKERS Life COMPANY
DES MOINES

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Arizona Assn. Supports Director in Outlawing Policy

Joseph S. Jenckes, Jr., as attorney for Arizona Assn. of Life Underwriters, has placed before the corporation commission of the state, a brief supporting the directors' disapproval of certain policy contracts of Commercial Life of Phoenix, which was granted a legal reserve charter in January. The company is the outgrowth and companion company of Commercial Benefit Insurance Co., a benefit corporation.

According to the brief, the director has notified the company that the form of their "commercial dollar maker" policy does not comply with the laws of the state. A hearing was held before the commission to determine whether the action of the director would be disturbed and the state association counsel supported the ruling of the director.

According to the brief, among the irregularities in Commercial Life's policy, is a peculiar feature known as the benefit fund. After the first year, not less than 10% of all premium payments made on the policy are to be deposited in the benefit fund, which, with the exception of refund to beneficiaries is to be held intact until Dec. 31, 1966, and then distributed ratably to all policyholders whose contracts have been in force. Upon the death of an insured, a whatever amount may have been placed in the benefit fund on account of the payment of premiums under the policy. The company also agrees to deposit annually in the benefit fund, an additional amount not to exceed \$1 for each \$1,000 of life insurance produced by Commercial Life and in force at the end of each calendar year, excluding, however, certain types of contracts. The state association brief comments that at first blush the policy would appear to be one of tontine insurance.

Consists of Two Contracts

The brief goes on to comment that the "dollar maker policy" is not actually tontine, but consists of two different contracts contained in one instrument. The first is a 20 year term policy and the second is a contract for creation of a fund to be distributed upon the tontine principle. The brief says the significant feature of the policy is that the 10% of premiums paid into the fund have no relationship to the insurance features of the policy. Not one nickel of the fund is at any time available for reserves, for payment of losses or for payment of administrative expenses. The benefit fund provisions of the policy constitute a separate and distinct contract which, if eliminated from the policy, would not affect the insurance features in any shape or form.

Attorney Jenckes comments that the benefit fund provisions of this contract do not constitute insurance as defined in the Arizona code. He says that such provisions, in effect, create an investment trust and have no more relation to insurance policies than if they provided for the purchase of an automobile. The company has the power to write a 20 year term contract, but is not authorized under such guise, to issue investment trust contracts unrelated to insurance. The benefit fund provisions constitute a security within the meaning of the Arizona blue-sky laws.

If the distribution to be made in 1966 to surviving "dollar-maker" owners may be treated as a dividend, such distribution will be in violation of the Arizona code which makes it unlawful for any domestic insurance company or its officers to declare or pay dividends except from surplus profits arising from the business. Such a benefit is made from the fund established for the purpose and violates this provision. Commercial Life violates the Arizona

code definition of premiums which prevent any charge by a life insurance company other than for an insurance premium, the brief comments.

On the head of discrimination or distinction between insurance of the same class and equal expectation contained in the Arizona code, the association brief states that it is obvious that the "dollar maker" contract does discriminate in favor of individuals. The favored persons are those who live and keep their policies in force until 1966, when they share in the benefit fund contributions made by those who have lapsed their policies. The beneficiary of a deceased policyholder receives a refund of the insured's contribution, but does not share in the final distribution. The lapsed policyholder not only loses his contribution to the fund, but is deprived of all benefits accruing from the establishment of it.

The Arizona association brief terms the dollar maker policy contrary to public policy as injurious to public welfare. The case of United States Life vs. Spinks in the court of appeals of Kentucky is quoted, which rules tontine insurance injurious to the public.

The brief says that "typical" of the extravagant statements which may be made in selling tontine contracts is the

(CONTINUED ON PAGE 28)

Crockford Succeeds Muckle as Secretary of Excelsior Life

Charles P. Muckle, secretary of Excelsior Life since 1919, has retired and is succeeded in that position by Morgan S. Crockford, assistant secretary.

Mr. Muckle joined Excelsior in 1900, and left in 1903 to become actuary of Union Life. In 1913 he returned to Excelsior as editor of publications and advertising manager, and in 1919 was elected secretary.

In 1920 he was also appointed treasurer and held the dual office until 1946, when A. Bruce Matthews became treasurer.

Mr. Crockford has been assistant secretary since 1944, and has been in charge of advertising and sales promotional activities since 1928. He joined the company in 1926.

U. S. Book on Insurance

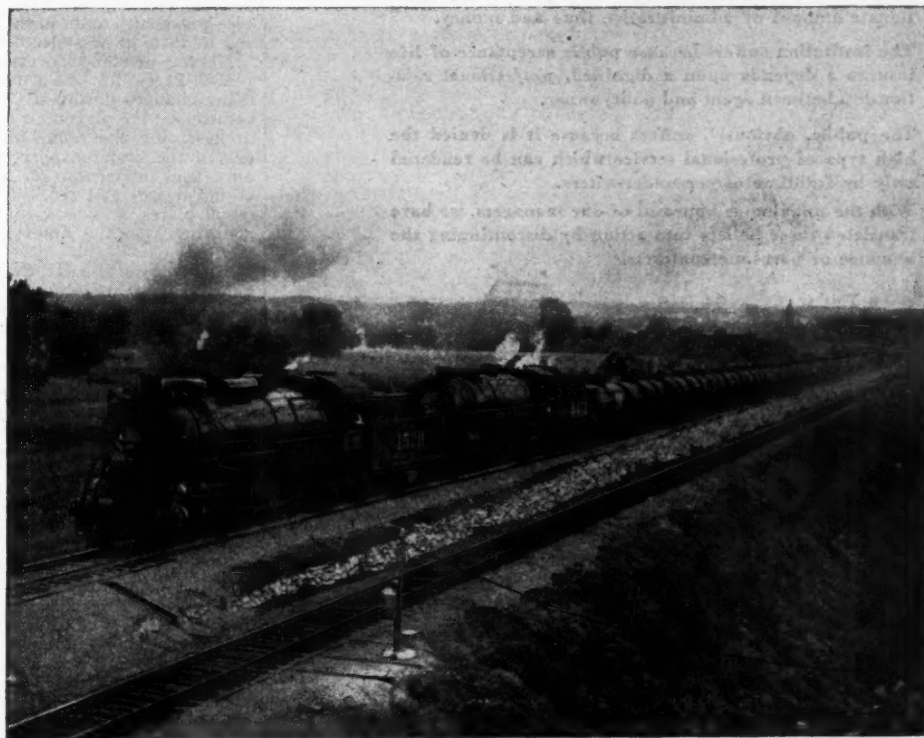
The U. S. Department of Agriculture has published a 50-page booklet entitled "Life Insurance for Farm Families," by Ralph R. Botts of the bureau of agricultural economics. About 90% of the

book is for general consumption. There are readable explanations of kinds of policies, contract provisions, programming, types of insurance companies and calculation of premiums and reserves. Especially interesting to farmers are the discussions of group insurance obtained through marketing or purchasing cooperations and the farmers need for insurance.

This miscellaneous publication No. 621, U. S. Department of Agriculture, is for sale by the superintendent of documents, U. S. government printing office, Washington 25, D. C., the price being 15 cents.

Harrington to Washington?

ATLANTIC CITY—Strong rumors were circulating during the convention of National Assn. of Insurance Commissioners here that C. F. J. Harrington, who has just been appointed for a fourth term as Massachusetts commissioner, is slated for a federal position at Washington. According to the reports he is slated for a spot in the Department of Labor, Federal Trade Commission or Department of Justice. "There is nothing to it so far as I know," was Mr. Harrington's only comment. He has been a frequent visitor to Washington, it is reported.



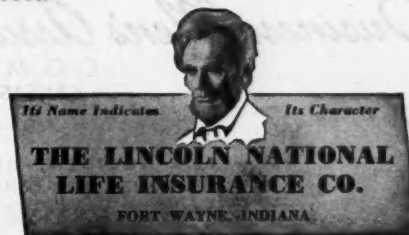
TEAMED FOR HEAVY LOADS

Like two locomotives coupled to handle heavy loads efficiently, LNL's Supplemental Term Rider hitched to a base policy meets heavy protection needs inexpensively.

The Rider may be attached to a wide selection of LNL policies — either standard or substandard. It is issued with or without premium waiver benefits in amounts equal to or up to twice the amount of the base policy for periods of 10, 15, or 20 years. If issued standard the rider may be converted to permanent insurance within 7 years on the 10

year plan; 12 years, 15 year plan; and 15 years, 20 year plan.

LNL's Supplemental Term has proved ideal for the family man who needs a large amount of insurance protection at the lowest possible cost.



Its Name
Indicates
Its Character

We Asked Ourselves This Question



Is There Room In Our Business For "Part-Time" Underwriters?



*the answer was "no"
and here's why . . .*

WE BELIEVE that the issuance of part-time contracts to life insurance agents is unfair to the agent, the company, the institution of life insurance, and the public. Here's why:

The agent suffers because he can not possibly develop the skills and the "career attitude" which are the ingredients of success.

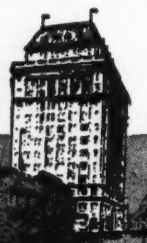
The company suffers because part-timers dilute the efficiency of the sales organization and require a disproportionate amount of administrative time and money.

The institution suffers because public acceptance of life insurance depends upon a dignified, professional relationship between agent and policyowner.

The public, obviously, suffers because it is denied the high type of professional service which can be rendered only by full-time career underwriters.

With the unanimous approval of our managers, we have translated these beliefs into action by discontinuing the issuance of part-time contracts.

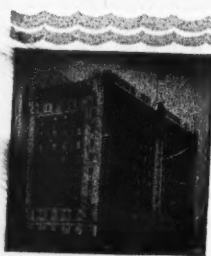
• This is the second in a series of advertisements presenting our company's opinions on the subject of "career underwriting."



California-Western

SA
LF
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A Company of CAREER Underwriters ★ HOME OFFICE SACRAMENTO



THE HOME OF
COMPLETE
PROTECTION

Business Men's Assurance
COMPANY
KANSAS CITY, MO.



LIFE • ACCIDENT • HEALTH • ALL-WAYS
HOSPITALIZATION • GROUP • REINSURANCE

B. J. Perry Marks 50th Year with Mass. Mutual

Bertrand J. Perry, chairman of Massachusetts Mutual Life, on June 7 celebrates his 50th anniversary with the company.

He began as a clerk in the actuarial department and today is recognized as one of the best informed insurance executives in America.

He will be honored at the 51st convention of the Massachusetts Mutual Agents' Assn. at Atlantic City, June 16-18, when a highlight of the meeting will be a presentation to Mr. Perry of a 50-year service medal by President Alexander T. Maclean.

After five years in the actuarial department, Mr. Perry was transferred to the premium department, and in 1912 was made chief clerk and office manager. Three years later he was appointed assistant secretary and in 1926, he was elected secretary. He became vice-president and director in 1928, and in 1936, he was elected president.

He was elected chairman in 1945.

Mr. Perry has been responsible for many changes during the growth of the company. He played an important part in designing the home office. He was one of the first to appreciate the economy and efficiency of handling premium notices and receipts by means of metal plates, and, as a consequence, the company was the first to employ this method.

Mr. Perry had a large part in the development of the modern methods of insurance bookkeeping by mechanical means and helped develop a durable card stock for mechanical handling.



B. J. Perry

Establish Professorship Honoring Julian Price

At the spring meeting of trustees of University of North Carolina, announcement was made of establishment of the "Julian Price Professorship in Life Insurance." It was established by Mrs. Joseph McKinley Bryan and Ralph Clay Price as a memorial to their father, the late Julian Price, chairman of Jefferson Standard Life and Pilot Life, who lost his life in an automobile accident Oct. 23, 1946. Mr. Price was a past president of the American Life Convention.

Income from the endowment valued at \$80,000 will be used to supplement the state salary scale to provide a salary that will enable the university to obtain a distinguished professor of life insurance and to carry on teaching and research work in the field of life insurance education. The professorship will continue in perpetuity.

Julian Price was a charter member of the Business Foundation and active in the efforts of that organization to build at Chapel Hill, the site of the University, a school of commerce second to none in the nation. Robert M. Hanes, president of the Business Foundation, said, "This professorship in a highly practical field is the kind of thing that always appealed to Julian Price. At the close of 1946, 12 North Carolina companies had in force considerably more than \$1 billion of ordinary and industrial life insurance. The school of commerce has in the past offered a limited amount of training for young men wishing to enter this large and important business. The Julian Price professorship will enable the school to provide the highest caliber of educational service to the insurance business of North Carolina and the south."

President Ralph C. Price of Jefferson Standard, is a university alumnus.

Little Prospect of Crosser Act Change

WASHINGTON—It is reported that the Republican high command in Congress has passed along the word that nothing should be done about legislation amending the Crosser railroad retirement law, as it does not care to run the risk of arousing political opposition from railroad labor.

It was noted that six Republican members of the House interstate commerce committee voted against hearings on bills to amend the act on Rep. Crosser's motion raising the "question of consideration."

There appears to observers little likelihood at present that any such legislation will be recommended by that committee, unless insurance and other interests concerned make their position known in no uncertain terms to congressional leaders.

Unless legislative action is taken this month, Crosser act benefits for non-occupational disability, sickness and maternity insurance become effective July 1, after which observers believe it would be more difficult than ever—if not impossible—to eliminate them as desired by insurance interests.

Three from One Company Qualify for Round Table

Three representatives of California-Western States Life have qualified for the 1947 Million Dollar Round Table of N.A.L.U. Grant Taggart, former president National association and past Round Table chairman, again qualified for the honor despite a heavy program of N.A.L.U. activity. He is a life member.

Alfred E. Gaumer, Red Bluff, Cal., achieved his fourth consecutive qualification and was awarded a life membership in 1946.

Mrs. Gladys Brockus, Corpus Christi, Tex., qualified for the first time, the first woman agent of the company to earn this recognition, and one of the few in the country to be so honored.

Still Undecided in Va. as to Qualification Law

RICHMOND—Whether an effort will be made at the 1948 Virginia legislature to have a life agents qualification law enacted was left undecided after a meeting here to allow representatives of Virginia ordinary and industrial companies to meet with Edward J. Schmuck, N.A.I.A. general counsel, for discussion of its model qualification bill. Mr. Schmuck stated that the meeting was largely exploratory, other bills as well as the model one being discussed.

It was reported that some of the industrial companies were opposed to the proposal but the representative of one of those companies who attended the meeting said they "did not go there to offer opposition and did not do so. At the same time, we did not express ourselves in favor of such a bill. We were present with an open mind in quest of enlightenment on the subject."

Representatives of several Negro companies were present.

Mrs. Bennion Asks Rehearing

WASHINGTON—Louise C. Bennion has asked the Supreme Court for a rehearing in her suit against New York Life, in which the court recently denied a writ of certiorari. The suit grows out of the death of her husband, in command of the battleship West Virginia during the Japanese attack on Pearl Harbor. The company claimed it was not liable because a state of war existed between Japan and the United States. Petitioner argues it "the utmost sophistry" to assert war existed at time of Bennion's death; that the nations were at peace; that President Roosevelt declared that at time of death they were at peace. The circuit court held Bennion was killed perpetrating an attack. Petitioner denies this.

Aetna Regionals to Be Conducted in June and July

Aetna Life has arranged again this year to hold regional conferences for its corps of Regionnaires, beginning June 19 and extending through July 5. The central theme will be "Client Building."

Three regionals will be held, the western conference at Tahoe Tavern, Lake Tahoe, Calif., June 19-21; central, Grove Park Inn, Asheville, N. C., June 26-28; eastern, Chateau Frontenac, Quebec, July 3-5.

Home office speakers and subjects will be: R. B. Coolidge, vice-president, introduction and conclusion; I. F. Cook, secretary, group division, "Group Insurance"; J. F. Euler, agency assistant, "Business Insurance"; D. P. Cavanaugh, associate counsel, "Current Developments"; D. E. Hanson, assistant superintendent of agencies, "Clients for Regionnaires."

Agents Who Will Speak

A number of agents also will speak. Speakers and subjects at the western conference are: S. W. Schember, San Francisco, "Thrifty Plans"; E. H. Robinson, San Francisco, "Accident Insurance"; A. C. Coles, Vancouver, and B. H. McGhee, Denver, "Estate Control Plan"; J. E. Nelson, Los Angeles, "Time Control." Chairmen are: June 19, John Krehbiel, Los Angeles; June 20, J. S. Marshall, Spokane; June 21, J. H. Carson, Seattle.

Those who will speak at the central conference are: E. W. Witsman, Peoria, "Thrifty Plans"; M. H. Davis, Dallas, "Accident Insurance"; Eugene Simpson, Dallas and J. F. Turnbull, Jr., New Orleans, "Estate Control Plan"; W. J. Coffey, Little Rock, "Time Control." Chairmen are: June 26, J. S.

Maryman, Little Rock; June 27, W. H. Harrison, Houston; June 28, T. S. Tharin, Columbia.

The eastern conference speakers will be: J. H. Carey, Jr., Hartford, "Accident Insurance"; S. F. Coates, Grand Rapids, "Thrifty Plans"; W. R. Cavanaugh, Detroit, and J. J. Kinane, Syracuse, "Estate Control Plan"; W. G. Adams, Toledo, "Time Control." Chairmen: July 3, Alexander MacLeod, William Street agency, New York city; July 4, E. D. Husted, Toledo; July 5, J. W. Heisse, Baltimore.

President Brainard Scheduled

Two special speakers at the western and eastern conferences will be M. B. Brainard, president of Aetna Life, and Commissioner Allyn of Connecticut. The latter will talk on "Life Insurance, A Public Service."

A feature of all three meetings will be a direct mail panel with chairman Curtis Lamb, home office direct mail consultant, assisted by: western conference, R. A. Hardaway, San Francisco; W. B. Feldenheimer, Portland; A. H. Schneider, Denver; C. H. Greeley, Des Moines; central, J. T. Muncey, Louisville; H. B. Allis, Little Rock; L. A. Deininger, Cincinnati; Ed Braun, St. Louis; Vincent dePaul Hurley, Houston; eastern, D. H. Teas, Milwaukee; Rudolph LeBoy, Chicago; J. L. Newberry, Detroit; W. P. Fackler, Philadelphia; Robert W. Carr, New Haven.

Many recreational activities are planned for agents and their wives, including golf tournaments, banquets, swimming and special trips.

Branscom Oakland Chief

J. J. Branscom, West Coast Life, has been elected president of the Oakland-East Bay General Agents & Managers Assn. Harold Breakenridge, Equitable Life of Iowa, vice-president and Sam W. Coombs, Equitable Society, secretary.

Penn Mutualites Celebrate 100 Years at Philadelphia

The centennial convention of Penn Mutual Life is being held in Philadelphia this week at the Bellevue-Stratford hotel and is followed by a conference of the company's Quarter Million Dollar Club at Atlantic City. There are some 560 delegates in Philadelphia and 375 in Atlantic City. A cashiers' conference with 39 present, meets also at the home office.

The convention was opened Monday in the home office by Vice-presidents Wallis Boileau and E. Paul Huttering, and Assistant Vice-president Urban F. Quirk.

Among the speakers at the Monday session were: Eric G. Johnson, vice-president; J. Elliott Hall, superintendent of agencies for southern region; Mrs. Edith V. Levy, Engelsman-Phillips agency, New York city; Malcolm Adam, vice-president in charge of the operations departments; and Dr. Charles R. Whittlesey, professor of economics at University of Pennsylvania.

John Marshall Holcombe, Jr., managing director Life Insurance Agency Management Assn., gave a salutation from L.I.A.M.A., and Holgar J. Johnson, president Institute of Life Insurance, spoke on "The Public Makes Our Tomorrow."

A C.L.U. breakfast presided over by Franklin G. Stull, general agent at Seattle, preceded the meeting on Wednesday. Three producers gave key points of their first year at the general meeting and were followed by a special playlet produced by members of the Joseph H. Reese agency of Philadelphia.

The meeting ended with the address, "Laying the Cornerstone of Our Sec-

ond Century," by President John A. Stevenson.

For Thursday and Friday, members of the Quarter Million Dollar Club move to Atlantic City. The first program is presided over by Mr. Huttering and the chairman is Ralph G. Engelsman, general agent, New York city. Speakers include Warner F. Haldeman, associate counsel; Sadler Hayes, New York city; William J. Probst, assistant to vice-president; and Arthur W. Swain, Betha agency, New York city.

Friday the program is presided over by Mr. Quirk. Aaron M. Royal, assistant manager of pension plans; Walter N. Hiller, Stumes & Loeb agency, Chicago, and Sanford M. Bernbaum, Stull agency, Seattle, are speakers.

At the final session, Bill Schauer, general agent at Detroit, is chairman. William W. Bodine, financial vice-president, speaks on "Making Money Work," and the convention winds up with an address by Vice-president Eric G. Johnson.

May Probe Government Competition with Insurance

WASHINGTON—A staff member of the House small business committee has indicated its impending investigation of government agencies' competition with private business may go into government insurance activities. The investigation is planned by Rep. Ploeser, St. Louis agent and committee chairman. Rep. Howell, Illinois, who sponsored the Crosser railroad retirement act amendments, heads a subcommittee to take charge of the investigation, scheduled to begin next fall.

Mr. Ploeser's plans also call for investigation of "giant cooperatives" and tax exemption of cooperatives and foundations.

Willis J. Ballinger, former economic adviser to FTC, will be economic counsel for the committee.

Southern California Calling!

An exceptional opportunity for a man with sound experience in selling and designing Pension Trust and Profit Sharing Plans

A guaranteed salary and participating interest, the amount of which will depend on his stature and background, will be offered to the man who is properly qualified. Experience in various types of group insurance desirable, but not essential.

Our present organization consists of tax consultant and technical man, supervisor in charge of installation of plans and subsequent policy admin-

istration where benefits are insured, and statistician for actuarial calculations. The complete cooperation of this staff is, of course, assured.

Here is an opportunity to become affiliated with an established and successful organization on a pleasant and profitable basis. If you are interested, and have no contractual obligations, send complete biographical information and your photograph to R. R. Hays, Jr., at

HAYS & BRADSTREET

PENSION PLANNING ORGANIZATION

609 South Grand Ave., Los Angeles 14, Calif.

Understand Newspaper Men, Reeves Tells Pittsburghers

Greater understanding of the newspapermen's problems is necessary if the life insurance business is to improve still further its relations with the public, Clifford B. Reeves, second vice-president of Mutual Life, told a meeting of the Agencies Committee of Pitts-

burgh. He complimented Institute of Life Insurance for doing an industry-wide job in public relations but said it was up to individual companies and field men to supplement this overall effort.

Rather than expecting the newspapermen's sympathy, Mr. Reeves said, "we should take the initiative and try to understand their problems. For it is up to us to explain and interpret the business to them, so that they, in turn, can

explain it to the public.

"To do this job, perhaps we should conduct periodic opinion surveys among newspapermen, and maintain closer personal contact with them, so that we will understand the things they want to know about our business. These surveys would be of great value because newspapermen have a wide and close contact with the public and they are largely instrumental in molding public

opinion."

Mr. Reeves told the managers and general agents that they can "play an important part in developing better public relations. It is your job to supervise the agents, and it becomes your responsibility to hire and train men who will be a credit to the business.

"An agent who is made to appreciate his responsibility for better servicing the public is a credit to the business,

Here It Is! Rough Notes' New Simplified Programming

New 24 Page Visual Sales Book

New 48 Page Instruction Manual

All the "Tools" for Successful Programming

Larger policies, more sales to interviews, satisfied clients, increased prestige, enthusiastic "centers of influence" and referred leads—these are the results from professionalized service. Successful life underwriters who adopt Programming usually double—often triple—their volume of sales. In giving this highest type of life insurance service, they are rewarded accordingly.

But sound Programming requires expert knowledge and a special technique. This new Simplified Programming Sales Kit gives you the help you need—in getting interviews, making the sale, and planning the program.

Sixteen of the twenty-four interesting color-ful pages of the Visual Sales Book, which carry your points through the eyes straight to your prospect's quick understanding.



The Visual Sales Book

A Blueprint to Peace of Mind

Gets you quickly into the interview, and sells the idea of programming—the first big step towards the final sale. Vivid pictures and charts illustrate the eight big benefits of your service—and the seven vital jobs life insurance must do.

This visual demonstration gains and holds interest, and wins prospect's cooperation in furnishing the confidential information you need to give him your service.

24 pp.—Printed in Two Colors

Bound Book: Pages coated with transparent plastic, adding brilliance to illustrations, and resisting wear and dirt: One \$2, five, \$9.00.

Loose Leaf: For use in transparent sheet protectors; sheets printed one side only; for insertion in any binder: One, \$1.50; five \$6.75.

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The job of public relations is not a technique which emanates at the home office and ends with the publication of a few pamphlets. Rather, through you, the responsibility for good public relations should be emphasized to the agent. For, in the final analysis it is the agent who is our direct contact with the public."

Don't "hunt around", see *Who Writes What?* for all who-writes-it questions!

N. Y. Requires Uniform Real Estate Accounting

Superintendent Dineen of New York has promulgated what may be the first uniform classifications of accounts ever officially prescribed in insurance. The new regulation is limited in its application to accounting in connection with real estate investments made by New

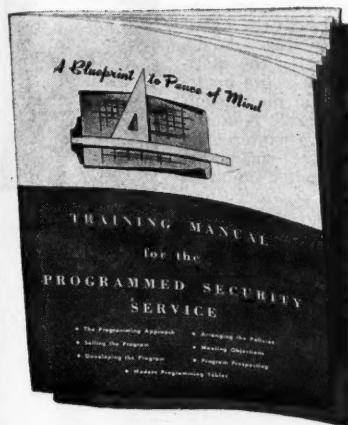
York domestic insurance companies for income purposes.

Permission to purchase real estate for investment income purposes, subject to certain limitations, was granted to domestic insurers by the 1946 legislature. To date, only life insurance companies have taken advantage of the statute. The department considers it essential to have an accurate method of observing the results of such real estate

investments and the uniform accounting will permit valid comparisons of results by the various companies. It will also permit companies to compare results.

The regulation specifies the details of records including definitions of cost figures, items of income and expense and reserves to be maintained. It sets forth reporting requirements for annual statement purposes.

Sales Kit



The Instruction Manual

The pre-approach—the approach—the interview—the sales talk—meeting objections—the second (selling) interview—the final interview (for referred prospects).

Common mistakes—income settlements and their uses—quick reference tables for estimating benefits—how to build a simple program—how to make and use charts—requesting income settlements.

A complete guide to programming.

One, \$1.50; five, \$6.75

Family Balance Sheet

With your help, the prospect fills it out, summarizing his own and his family's needs—and details of life insurance, Social Security, and other assets already owned. Attractively designed; printed in green and black.

Pads of 25: 50c per pad; five pads, \$2.00

Programmed Security Charts

"For Your Family"—"For You"; ruled for easy and accurate drawing of charts, to show exactly what Life Insurance, Social Security and other assets will do for client and his family, compared to needs which he, himself, has fixed as absolute minimums.

Pads of 25: 50c per pad; five pads, \$2.00

Gummed Labels: Five styles, different colors, for identifying sections of chart: Social Security—Present Insurance—Danger Points—New Insurance—Minimum Requirements.

In packages (220 labels): 25c per pkg.; five \$1.10

Settlement Option Check-Charts

To simplify and speed up the planning and requesting of new settlement options on old and new insurance—one of the most important tasks in programming. Takes place of letter to company.

Pads of 50: 90c per pad; five pads, \$3.75

Confidential Summary Folder

A new type of Policyowner's Summary, illustrated and in two colors; to be left with client after completing program, showing exact provisions for each need, distribution of proceeds of each policy, values, premium calendar, etc.

10 Folders, 60c; 50, \$2.50; 100, \$4.50

Complete Programmed Security Sales Kits

All forms above are useful in any "system" of programming, and may be ordered separately, as needed.

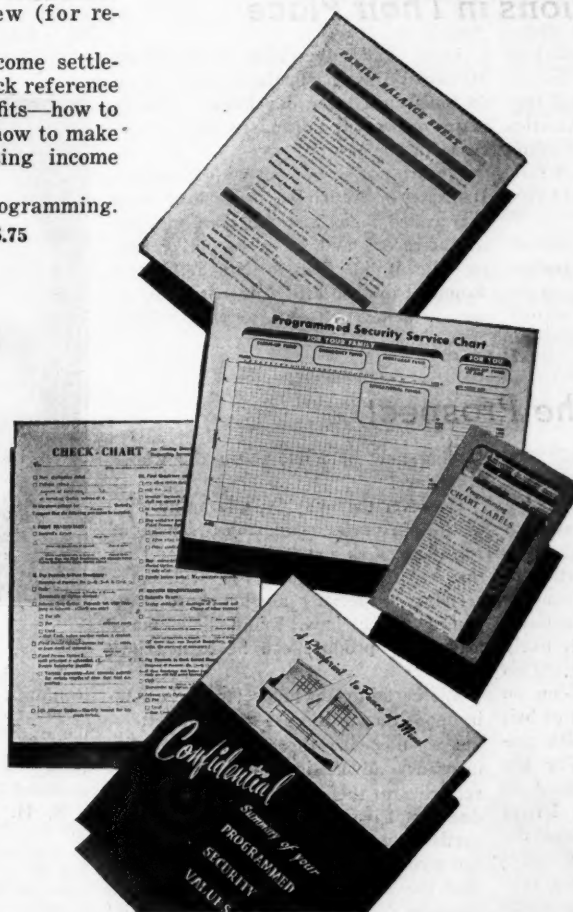
Complete Kits (with two pads Programming Charts) (not including Confidential Summary Folders) may be had at following bargain prices:

With Bound Visual Sales Book (Value \$6.15):

One, \$5.50; five, \$5.25 each; ten, \$5.00 each.

With Loose Leaf Visual Sales Book (Value \$5.85):

One, \$5.00; five, \$4.75 each; ten, \$4.50 each.



SEND FOR IT—ON APPROVAL!

THE ROUGH NOTES CO., INC., Indianapolis 6, Indiana

I enclose \$_____, for which please send me, on approval, Programming Sales Kit as checked; money to be promptly refunded on any items returned to you in good condition.

____ Visual Sales Books (Ck: Book—Loose Leaf—) \$_____
 ____ Instruction Manuals \$____; ____ pads, Family Balance Sheets, \$____; ____ pads, Security Service Charts, \$____; ____ pkgs., Gummed Labels, \$____; ____ pads, Settlement Option Check-Charts, \$_____
 ____ Complete Programming Sales Kits, as above \$_____
 ____ Confidential Summary Folders \$_____

Name _____ Title _____

____ Life Insurance Co.

Address _____

NU 6-67

EDITORIAL COMMENT

Underwriting the Air Catastrophe Risk

The eight air crashes which took a toll of 177 lives between last Thursday night and Saturday morning should be a sufficient answer to all who fret because the life companies have not been faster than they have in removing all restrictions from air travel. Termed by the New York "World-Telegram" "the blackest period in the history of peacetime aviation," these crashes have demonstrated in a shocking and tragic way what can happen when things go wrong.

Fortunately it appears that the time is not distant when control over now unpredictable factors will be obtained. In the worst of the crashes, however, the one in Maryland that killed all 53

aboard a Douglas DC-4, the cause of the disaster was not immediately apparent. Bad weather, the most frequent cause of scheduled airline accidents, was not to blame.

Intrinsically there appears to be no reason why flying cannot be made as safe as land travel. When you consider a train weighing thousands of tons rocketing along on two strips of steel four feet eight inches apart it seems obvious that railroading is as safe as it is not because it is inherently a low-risk form of transportation but because the safety problems have, through long study and the application of much ingenuity, been almost entirely solved.

Keeping Conventions in Their Place

The next thing you know American Life Convention will be holding its annual convention on Thanksgiving Day and Life Insurance Assn. of America will be improving Christmas by holding its gathering Dec. 25. Perhaps N.A.L.U. can latch on to July 4 for its mid-year get-together.

Conventions, of course, are marvelous, but for us grass cutters and tomato tenders it gets a bit thick to have to get our ears bent with insurance oratory and our minds strained to insurance

actuarial and advertising problems on Memorial Day, particularly when to do so fouls up a three day holiday that in many respects is the most welcome surcease of the year.

We are not so put out with American Institute of Actuaries, because at least they called their Memorial Day meeting off-the-record and we were not obliged to take it in. But to North Central Round Table of Life Advertisers Assn. we say a heartfelt nuts to your holiday conventions.

Using "Bait" on the Prospect

When life insurance advertising men get together at a meeting, either national or regional, to discuss advertising ideas, methods and the actual results of various advertising procedures, they always come finally to a consideration of what they call "bait" letters. Whenever these so-called bait letters are discussed, the comment of most speakers is likely to be both lively and interesting. This is because any company advertising on a large scale is using some form of bait letter, and for the most part, with reasonably satisfactory results. For the benefit of the uninitiated, it should be explained that bait letters are letters that are sent to prospects in which the company offers to send the prospects some sort of gift, such as a key container, memorandum book, automatic pencil or some other inexpensive novelty without charge. The response to such letters continues to be surprising, especially when it is considered that thousands of such letters are in the mail every day, that the value of the gift offered is negligible and that there is

nothing new or novel about the whole procedure.

However that may be, a large number of life insurance companies send out such letters as a matter of regular routine and their continued use is almost a certainty, especially among those companies which have found how many leads they produce can be turned into sales.

We certainly do not set ourselves up in opposition to the use of "bait" letters, but we do feel rather strongly that life insurance advertising men should stop referring to them as "bait" letters. One does not have to be a life insurance advertising man to understand that when the term "bait letter" is used, it implies that the recipient is a sucker who will swallow the hook and fall for the "bait" that is being offered. Without assuming an overly dignified or stuffed shirt attitude, we believe that this language is a little out of place when applied to life insurance. The cold hard fact is that life insurance is the only thing that can and does solve the economic problems

of the average man. This being the case, the advertising it uses should not be described in terms which imply that those who inquire about it are swallowing "bait." If a life insurance company

wants to send a prospect a gift, or wishes to make a free offer, no one should quarrel with that, but certainly the word "bait" should have no place in the life insurance vocabulary.

PERSONAL SIDE OF THE BUSINESS

Orville Childress, newly appointed vice-president and director of agencies

of Republic National Life, has been executive vice-president of Rural Life for eight years in charge of all phases of operations except investments. Another new Republic National officer is Lorry A. Jacobs, who has been co-publisher of "Insurance Graphic" and will maintain his own public relations and advertising firm. He is a past vice-president of Insurance Advertising Conference; a life member



Orville Childress

years ago in the actuarial department of Occidental under C. H. Tookey, actuary, who was with him at the convention.

General Agents & Managers Assn. of Equitable Society has named Roy Swarzman of Des Moines as "Old Guard" medal winner for 1947. The award is made annually to the agent "who has done most for the institution of life insurance in the preceding year." Nominations are offered by agency managers and acted upon at the association's annual meeting which was held, this year at Atlantic City.



Roy Swarzman

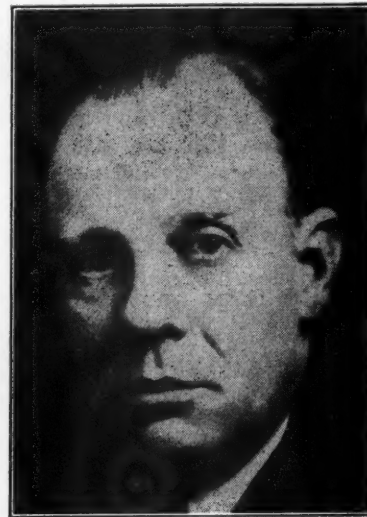
The award was made on the basis of Mr. Swarzman's civic activities, his cooperation within the agency, his work with the Des Moines Life Underwriters Assn., of which he is president, and his production record.

Mr. Swarzman joined Equitable in 1927 at the age of 22 after completing two years at Drake. From the start he was a consistent club member and in 1946 qualified for the Half Million Club. He has taken every training course offered by the society and won the C.L.U. designation in 1944. In 1946 he received the Equitable's national quality award. Last year the Des Moines Advertising Club cited him in its house organ as "A man truly entitled to the name of insurance counselor."

LaMar Anderson of the Great Salt Lake agency has been inducted into the Multi-Millionaire Club of Beneficial Life. He has been with the company 17 years, during which time he has written and kept on the books over \$2 million. In recognition of this achievement the company was host at a banquet for him at which 100 friends and associates honored him for the record. Virgil H. Smith, vice-president, presented Mr. Anderson on behalf of the company, a gold engraved watch bearing a diamond set emblem of a beehive, the company's trademark. Mr. Anderson is a member of the Quarter Million Dollar Club, President's Club, and has been on the App-a-Week Marathon for over eight years.

President P. K. Lutken of Lamar Life is now a grandfather, a daughter named Melissa having been born to Ensign and Mrs. Donald C. Lutken.

Frank D. Kineke, associate actuary of Prudential, gave the Chicago shut-ins a sight of Jersey hardihood when he took a leisurely swim off the Edgewater Beach hotel May 29 while attending the convention of American Institute of Actuaries. This was strictly routine for Mr. Kineke. For the past 29



L. A. JACOBS

and a founder of L.A.A., Southern Round Table, and for many years a member of the public relations committee of American Life Convention. He fills the post of the late Z. Starr Armstrong, whose agency duties have been assumed by Clarence O. Cardner.

R. H. Belknap, director of agencies for Occidental of California, stopped off at Chicago to attend the annual meeting of the American Institute of Actuaries while en route east on vacation. Equipped with a new convertible automobile, Mr. Belknap and his family had come from the Health & Accident Underwriters Conference at Omaha and will proceed on a leisurely visit to Niagara Falls, Martha's Vineyard, Mass., and to several points in Maine before returning to California. Although he has been in agency work for a number of years, Mr. Belknap got his start 20

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CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. A. J. Wheeler, Special Representative. L. N. Yellowless, Advertising Manager.
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President. George C. Roeding, Associate Manager. George E. Wohlgenuth, News Editor.
DALLAS 1, TEXAS — 802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.
DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.
DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9167. William J. Gessing, Resident Manager.
MINNEAPOLIS 2, MINN.—553 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.
NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept. — R. B. Mitchell, Eastern Editor; Kenneth O. Force, Associate Editor. Business Dept. — Ralph E.

Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.
PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3700. E. H. Fredrikson, Resident Manager.
SAN FRANCISCO 4, CAL.—501-a-9 Flatsiron Bldg., Tel. EXbrook 3054. F. W. Riland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

years he has missed an outdoors swim-a-week only twice. His home is at Maplewood, N. J., but come zero or 100 he gets over to a place on Long Island for at least one swim a week.

Harold J. Rossman, new director of agencies for Equitable Society with headquarters at Kansas City, and his newly appointed assistant, **Thornton Ellis**, were guests at a luncheon at the Hotel President in Kansas City, at which they met 90 agency and district managers. Vincent S. Welch and H. A. Yoars, vice-presidents from New York, spoke.

Wilbur Johnson, actuary of Central Life of Chicago, and Mrs. Johnson have returned from a month's trip in Mexico. They stopped a few days at the Cuernavaca home of President Alfred MacArthur of Central Life.

James H. Daggett, president of Old Line Life of America, Milwaukee, has been presented an engrossed citation by the United Community & War Fund of Milwaukee County for the services he performed as chairman.

Commissioner Newell R. Johnson of Minnesota, who was recently reappointed and on May 30 observed his 50th birthday, was surprised when a widely read St. Paul newspaper columnist referred to him as "former insurance commissioner" in commenting on his anniversary.

Albert W. Kendall, South Bend manager of Prudential, completed 45 years of service May 31. He has managed various offices since 1909, and has been at South Bend since 1917, going there from Toledo. Before that time he had been manager at Minneapolis and Springfield. He joined the company in 1901 as an agent in Louisville. He is a former president of the South Bend Life Underwriters Assn.

Dr. A. J. Lanza, associate medical director of Metropolitan Life, has been named professor of industrial medicine of the New York University college of medicine.

Albert Pike, actuary of Life Insurance Assn. of America, was taken ill with ptomaine poisoning at the Atlantic City convention of the insurance commissioners and was taken to the hospital.

Miss Mildred O'Dea, secretary to Deputy Superintendent Thomas C. Morrill of the New York department, will be married to Edmond P. Ryan, investigator for the board of examiners of the New York City board of education, June 28 at St. Raphael's Church, Long Island City, N. Y. Miss O'Dea has been in the department seven years and was for three years secretary to Shelby C. Davis, Mr. Morrill's predecessor.

DEATHS

Dr. Thomas D. Laftry, medical director of Great Northern Life for 25 years, died.

James E. Flanagan, retired general agent for Bankers Life of Iowa in New York city, died at St. Vincent's Hospital there following a heart attack. He was 59 years old.

Mr. Flanagan started in the insurance business with Connecticut General Life in Hartford and in 1915 joined Equitable of Iowa at the head office. Two years later he became actuary of Bankers of Iowa. He was much interested in field work and in 1924 resigned his actuarial position to take over the New York city general agency.

Mr. Flanagan was a fellow of the Actuarial Society of America, American Institute of Actuaries and Casualty Actuarial Society. His brother, William Flanagan, is assistant secretary of Connecticut General Life and his son-in-law, Henry E. Blagden, is associate actuary of Prudential.

William A. Eckert, 73, for 12 years an agent at Louisville for Western & Southern Life, died at his home.

A. Eugene Blair, 85, with New England Mutual Life at Baltimore for 45 years, died there. He joined the organization as cashier in 1902 but had been

a consistent personal producer since the first war. He was presented the company's silver medal for faithful service in 1927.

John Meade, 78, of the purchasing department of New England Mutual Life, with that company 38 years, died at Charlesgate hospital, Cambridge, Mass.

Dr. W. L. Mann, chief medical referee of Great-West Life at the head office for many years, was drowned Sunday at Winaki in the Lake-of-the-Woods region of Ontario, where he had a lodge.

He went with the company in 1931, first being an assistant in the medical department. Earlier in life before studying medicine he was awarded a degree in science. He held the degree of master of surgery and was a fellow of the Royal College of Surgeons in Canada and the American College of Surgeons.

Dr. Mann before joining Great-West was associate professor of clinical surgery on the faculty of University of Manitoba.

Jerome Kanter, 53, 2nd vice-president of the Detroit Life Underwriters Assn., died there. He was with National Life of Vermont.

Groark to New London

Thomas J. Groark, manager for Metropolitan Life at Nyack, N. Y., has been placed in charge of the New London, Conn., district, and its branch office at Westerly, R. I. He succeeds George E. Mott.

Mr. Groark attended Holy Cross College and joined Metropolitan as a clerk at the home office in 1926. In 1928 he was transferred to the field force and became an agent at Bridgeport, Conn. He was promoted in 1934 to assistant manager and subsequently was field training instructor, field training supervisor and agency supervisor. He was appointed manager at Nyack in 1946.

Allyn, McKenzie Zone Chiefs

Allyn of Connecticut was elected chairman of the Zone 1 commissioners unit at the meeting at Atlantic City Saturday afternoon. He succeeds Gough of New Jersey. Knowlton of New Hampshire was selected as the member of the N.A.I.C. executive committee for Zone 1.

McKenzie of Arkansas was elected chairman of Zone 3, replacing Butler of Texas, and Kavanaugh of Colorado was elected representative on the executive committee.

Would Freeze OASI Tax

WASHINGTON—The House ways and means committee will report favorably a bill recommended by the committee's social security subcommittee headed by Rep. Reed, New York, to freeze the old-age and survivors insurance tax rate at 1% each on employers and employees in 1948 and 1949.

The measure proposes increase of the OASI tax rate to 1.5% for six years beginning 1950, after which it would go to 2%. Without freezing the 1% rate this year, the OASI tax would go to 2½% next year.

Franklin's Pa. Appointments

Robert B. Mink, who formerly represented Berkshire Life, has been named general agent of Franklin Life at Yeaton, Pa. Samuel Street, formerly manager of Mutual Trust Life, becomes general agent at Cheltenham, Pa.

Writes 17 in Purdue Class

When twin brothers who were members of a recent insurance marketing course at Purdue University were victims of an automobile accident, one being killed and the other permanently disabled, a poll of the class showed that only 15 or 55 in the class were carrying accident insurance.

Don Bouma of the Heldstab agency of General American Life at Grand Rapids, Mich., undertook to service their needs in this respect and obtained 17 applications, with total premiums of \$727.20.

YOUR OWN AGENCY

Can Be Yours . . . If You Are Ready to Step Out Faster

Continental Assurance is a sound, aggressive company going places faster . . .

BECAUSE able life insurance men are finding with this organization unexcelled facilities for building volume and manpower.

If you are established as an agent . . . have a good record as a personal producer . . . and want to use your organizational ability to greatest advantage, here is a company ready to exchange ideas about creating a great prosperous future for you.

\$702,309,289

Insurance in force as of December 31, 1946, a

30% GAIN

That record means representatives have highly salable merchandise . . . real promotional assistance . . . and the backing of an organization that concentrates on helping producers build.

One of Our Prominent General Agents Says:

"I would choose C.A.C. because Continental's Group insurance contains the most liberal provisions on the market today, also it is one of few remaining companies writing the important disability features. Such features, plus agents' pension and hospital-surgical plans, in my opinion, make it the most attractive franchise available today."

One of America's fastest growing Life Insurance Institutions invites you to ask about its Agency Plan.



Continental
ASSURANCE COMPANY
CHICAGO, ILLINOIS

CONTINENTAL CASUALTY COMPANY
TRANSPORTATION INSURANCE COMPANY

NEW YORK

MEMORIAL EXERCISES

Admiral Thomas C. Kinkaid was the principal speaker at the Memorial Day exercises conducted by the members of Metropolitan and Nylic Posts of American Legion. A wreath was placed on a plaque in memory of the war dead of both insurers.

Other speakers included Dr. Anthony J. Lanza, formerly a colonel on the staff of the surgeon general of the army, and

now associate medical director of Metropolitan, and Otto L. Nelson, Jr., who has returned to vice-presidency of New York Life after having served as major general in the army.

MUTUAL LIFE CHORUS' DEBUT

The newly-organized 50-voice Mutual Life Chorus, composed of men and women employees from the home office of Mutual Life will make its debut June 10 at a concert at Town Hall.

Miss E. B. Chivers, chairman of the executive committee arranging the con-

cert, announced that the concert will be divided into two parts and will include variety songs by the Mutual Revellers, a quartet. Featuring the concert will be the rendition by the chorus for the first time of "Grand Old Mutual Life," prize-winning selection in the company's theme-song contest.

With the introduction this spring of his patented Anemone Flowering Korean Princess by Bristol Nurseries, Inc., in Connecticut, Louis Reichert, New York City general agent for Travelers, is earning additional fame in the field of flower-raising. Now enjoying large sales, the plant, which is the first of its kind to be produced, was developed by Mr. Reichert in his Belle Harbor, L. I., garden. It is a version of the garden chrysanthemum.

agency at St. Louis, where he achieved success. S. L. Leland, who was formerly manager, is now special agent doing contract and service work. The agency is general agent of Continental Assurance and represents Continental Casualty for accident, health and hospitalization.

COMPANIES

Industrial L. & H. Changes Name to Life of Georgia

To match its broadened coverage, which now includes ordinary as well as industrial life insurance, Industrial Life & Health has changed its name to Life Insurance Company of Georgia. Management, agency force, and operating procedure remain the same.

The company was chartered in Georgia in 1891 and is now doing business in 11 southern states. Charter amendment has been granted in Georgia.

Plans call for expansion of the company throughout the nation. In gain in industrial life force, 1946 over 1945, the company ranked fifth with \$83,826,934 among all companies; it was ninth, with \$406,034,290 in industrial life force last Jan. 1, and third in new industrial written, with \$339,213,313.

Coincident with the name change, the company has inaugurated a campaign to enlarge its ordinary business with an intensive training program for its agency force. Home office schools and field lecture schedules were stepped up to give agents material with which they can take advantage of the unrestricted name. The company started writing ordinary life in 1945 and has more than \$13,000,000 in force.

Agency and office personnel now is more than 3,000. There are 125 district offices servicing 1980 debits.

In line with its expansion program, Life of Georgia is constructing a seven story addition to the home office in Atlanta. This will provide space for enlargement of ordinary and industrial underwriting departments. There will be an assembly room, seating 250, for agency training courses.

Assets are above \$25 million. In addition to a policy reserve fund of \$13,490,000, there are capital and surplus funds of \$9,300,000.

Report on Sterling of Chicago

An examination of Sterling of Chicago shows assets of \$4,787,602 and sur-



EDGEWATER BEACH HOTEL

Headquarters of the World for Insurance Conventions

CHICAGO, ILLINOIS

CHICAGO

FERGASON PERSONNEL MOVES

Ferguson Personnel, placement service catering exclusively to the insurance industry in Chicago, has moved into larger quarters in room 400 at 330 South Wells street. Guy Ferguson, head of the office, opened it six years ago. It has made great strides, and now offers a variety of services in addition to placement, including typing service for policy writing, dictaphone transcription, typing of claim reports, etc.; printing of endorsement forms by multilith on short notice, and preparation and mailing of direct mail letters. A. J. Davidson is manager of the personnel department, under Mr. Ferguson's direction.

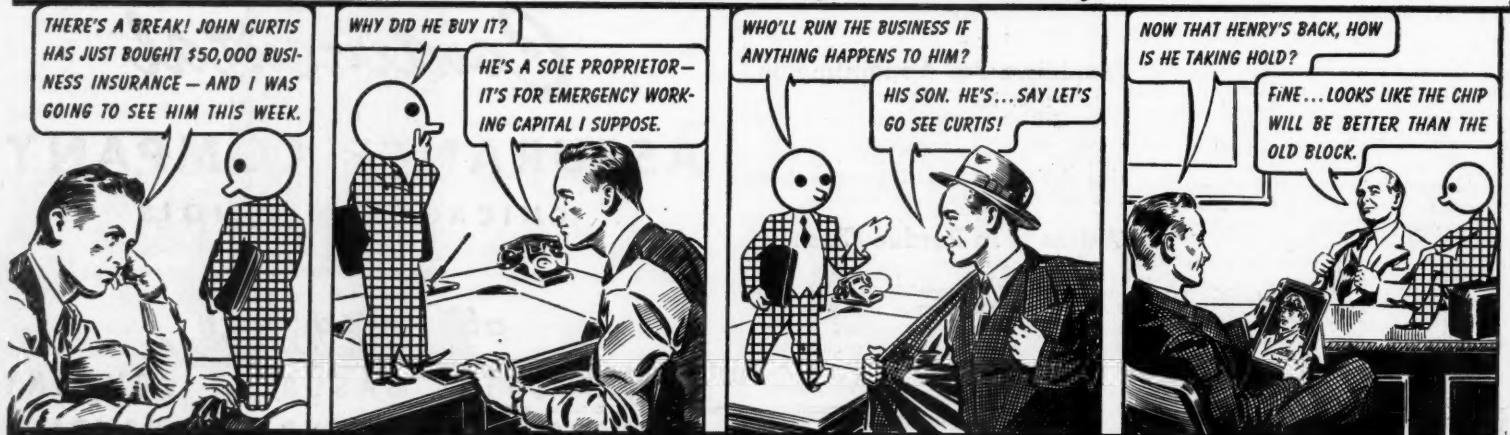
LACEY JOINS HUNKEN AGENCY

John W. Lacey has been graduated from the home office school of Connecticut Mutual among 26 students chosen from all over the country to attend it, and has returned to Chicago to represent the Henry C. Hunken agency as an agent. He served in the air corps and was promoted to colonel in 1945 at the age of 32. He volunteered for training in 1939 and is a flying school graduate. He served 3½ years in the European theater as operations officer of air bases and tactical groups. Mr. Lacey is a graduate of Notre Dame.

REIMERS LIFE MANAGER

C. E. Reimers, who has become manager of the life department of the Youngberg-Carlson Co., well known multiple line agency in Chicago, was educated in the Phoenix Mutual Life

ADVENTURES OF JOHNNY GRAPH-ESTATE THE CASE OF THE TEN O'CLOCK SCHOLAR ... by the GUARDIAN



chieved
formerly
doing
agency
Assur-
asualty
ization.

plus of \$2,188,724. The examiners report that during the last four years the company has operated profitably and earnings have permitted a continuous increase in surplus.

The company is licensed only in Illinois, but since the last examination has entered and withdrawn from Utah.

Jackson Mortgage Assistant

M. J. Jackson has been named assistant manager of the mortgage loan department of Jefferson Standard Life. He is a native of Texas and a veteran of 21 months' service in the marines during the war. He has been associated with Jefferson Standard since Sept. 1, 1936, except for war service, and for several years was mortgage loan supervisor for the company in California and Arizona, living at Los Angeles.

Rogers Asst. Superintendent

North American Life, Chicago, has appointed Ronald D. Rogers assistant superintendent of agencies. He joined North American in January, 1946, after having been discharged from the 33rd infantry division.

FINANCIAL SIDE

Connecticut General Buys Large Chicago Building

Sharon Mortgage Co., mortgage loan correspondent in Chicago for Connecticut General, reports the purchase of the leased fee at 321-325 South State street, Chicago, by Connecticut General, subject to an existing 99-year lease with an unexpired term of 59 years, at \$54,000 a year, held by the 333 South State Street Building Corporation.

The land, size 80 by 145, comprises a portion of the site of Goldblatt Department store, and is improved with an 11-story building of reinforced fireproof construction. The sellers were the descendants and beneficiaries of the estate of Henry and Chauncey Keep, who acquired the land in the eighteen-seventies.

The sale was negotiated through Northern Trust Company by Harry H. Harper of H. H. Harper & Co. in association with Hogan & Farwell. John Smalley of McKinney, Folonie and Carlson acted as attorney for Connecticut General.

Olympic Natl. Buys Building

Olympic National Life has purchased the Empire building at 914 Second avenue, Seattle.

Olympic National has occupied the

ninth floor of the building since 1936. With the purchase, it will expand its home office to other floors.

The purchase was made through the Seattle Trust and Savings Bank, which acted as trustee for the estate of Connie E. Burke and the board of trustees of Whitman College, joint owners. Actual amount of the sale was undisclosed.

Prudential Makes Million Loan on Seabrook Farms

Prudential has completed a mortgage loan of \$1 million to Seabrook Farms, Bridgeton. The loan, secured by first mortgage, was made for the purpose of consolidating the company's land loans into one blanket mortgage, to provide additional working capital and finance expanded operations.

The loan covers numerous individual tracts of farm land, as well as houses and barns thereon, so the mortgage transaction presented a legal task which is thought to be without parallel in New Jersey real estate history. New Jersey Realty Title Insurance Co., which will insure the title, had to draw abstracts and complete searches on more than 185 different large parcels.

The Seabrook Farms organization operates 19,000 acres in southern New Jersey, and yield of the land plus that of more than 500 independent contract farmers is processed at the Deerfield Packing Corp. plant, associated company.

Confer on Farm Speculation

HARTFORD—Morgan B. Brainard and Murray Waters, president and vice-president respectively of Aetna Life, are among the insurance leaders who have been invited to Washington for a conference to check speculation in farm land. They will confer with Secretary of Agriculture Anderson June 9 on current farm real estate and farm debt problems. The possibility of developing voluntary activities for discouraging further inflation in farm real estate prices and excessive expansion of debts by farmers is to be considered.

RECORDS

Hoosier Farm Bureau Life—New paid for volume during the first four months totals \$5,367,348, an increase of better than 84%, as compared with the \$2,912,135 sales for the comparable period last year. By number of policies the increase is 75%, the total being 2,278, as compared with 1,304 last year.

LIFE AGENCY CHANGES

Guardian Names Rogers at Seattle

Clyde H. Rogers has been named manager and Alfred J. Plechner associate manager for Guardian Life in Seattle.



C. H. Rogers

In life insurance for 20 years, Mr. Rogers joined Guardian in 1941 at Syracuse, N. Y. In 1946 he attained membership in the president's club. As chairman of the payroll division of the Onondaga County war bond committee, Mr. Rogers directed the fifth, sixth and seventh war bond drives. In the Keepwell Crusade, sponsored in 1943 by the Institute of Life Insurance, Mr. Rogers was chairman and won national recognition for Syracuse. He is former president of the Syracuse Life Underwriters Assn. and in 1945 was national committeeman.

A native of Seattle and a graduate of the University of Washington, Mr. Plechner has been with the Guardian since 1936. He has continuously been a member of the company's leaders club and in 1946 qualified for the president's club.

Jones Houston Manager: Cox Handles Brokerage

Jewel S. Jones, well known life insurance man of Texas, Arkansas and Oklahoma for over 15 years, will be manager of the new Houston branch of Occidental Life. Roy Cox, former life manager for Cravens, Dargan & Co., has been named brokerage manager at Houston.

Cravens, Dargan & Co. has resigned as life general agent for Occidental at Houston, but will continue to represent the company under an accident and sickness general agency contract.

Mr. Jones entered life insurance as an agent for Atlas Life at El Dorado, Ark., in 1928. He pioneered for Atlas in developing a leading general agency at Kilgore, Tex. From 1938 to 1944 he was home office supervisor and then took over and substantially increased the business of the home office agency.

He is a past president of the Tulsa Assn. of Life Underwriters.

Mr. Cox formerly was a teacher at University of Houston. He joined Occidental in 1943 after many years' experience as a life agent and general agent for another company. He is president of the Houston Managers Club.

Metropolitan Shifts Hood: Hopkins and Murphy

George W. Hopkins, manager at Calais, Me., for Metropolitan, has been placed in charge at Fall River.

A native of New Brunswick, Mr. Hopkins joined Metropolitan in Waterville, Me., in 1929. He became an assistant manager in 1930, later serving in the same capacity in Whitman, Mass. and Brockton, Mass. He was appointed manager in 1943 at Calais.

Gerald Y. Murphy, manager at Fall River, has been placed in charge at New Bedford. He succeeds Henry A. Barnes.

Mr. Murphy studied at the University of Pennsylvania, and Massachusetts Institute of Technology.

He joined the company in 1931 in Waltham, Mass., and became assistant manager at Morton, Mass., in 1941, being appointed manager at Fall River in 1943.

Homer C. Hood, agency supervisor at

the home office, has been appointed manager at Rome, N. Y. He succeeds John Vanden Bout, who has retired.

A native of Randolph, Vt., Mr. Hood joined Metropolitan in Brattleboro in 1926. He was made an assistant manager in 1931 and in 1936 became general assistant manager for New England territory. He subsequently was field training instructor and field training supervisor for New England and agency supervisor for eastern territory.

Maehtel Heads Prudential New Grand Rapids Branch

Raymond S. Maehtel has been named manager of the new Grand Rapids, Mich., agency of Prudential. He has been assistant manager at Detroit, and will take his new post about July 1, with office in 730 Keeler building.

He was born in Ohio but is well acquainted with Michigan territory. Mr. Maehtel attended Ohio State University and has spent the major part of his business career in life insurance. He was president of the New York C.L.U. chapter in 1939. His new territory includes all western Michigan.

For a number of years Mr. Maehtel was with the Knight agency of Union Central Life in New York City.

Denver Bird Heads New Agency at Charleston, W. Va.

George Washington Life has appointed Denver H. Bird as manager of a newly formed agency at Charleston, W. Va. Mr. Bird was formerly a unit manager for Shenandoah Life there and has been a life insurance man 14 years. He is president of Charleston Life Underwriters Assn.

George Washington Life is also represented at Charleston by a district agency under Houston L. Mosley.

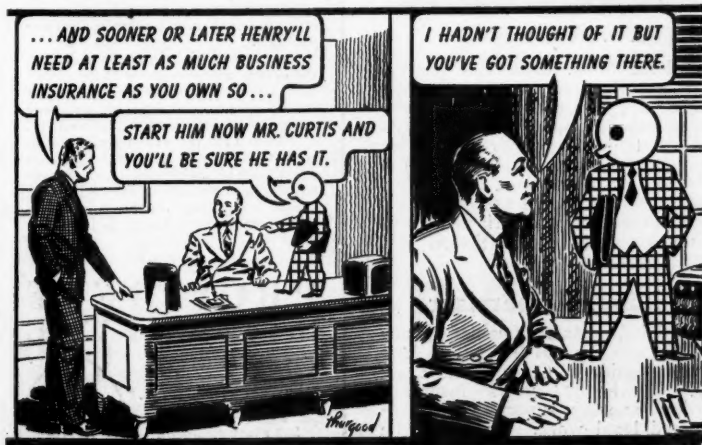
Opens Toronto Group Office

John Hancock Mutual Life has opened a group sales and service office in Toronto, with Paul H. Gregg as manager. Mr. Gregg is a native of Toronto and formerly was with National Business Publications, Ltd., and the Imperial Bank of Canada. It is John Hancock's first group office in Canada.

Phoenix Separate Agency

Prudential has established a Phoenix, Ariz., agency with Richard O. Mason as manager. Formerly the Phoenix of-

Life Insurance Company of America



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New York 22, N. Y.



An old-line, legal reserve institution, offering Group and Ordinary Life, and Group Health, Accident and Hospitalization coverage.

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-  A New System, relieving General Agents from detailed Agency Accounting.
-  Attractive and Effective Sales Aids and Policy Illustrations.
-  Prospects for Insurance furnished through a Proven System.

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New Orleans, U. S. A.

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Vice-Pres. and Agency Director

EDWARD G. SIMMONS
Executive Vice-President

THE FRIENDLY COMPANY

Only three little words, but words that mean much more than the insignia of a company.

Words that signify the ability of this company to fulfill every promise and obligation to policyholders.

Words that signify, because of sound underwriting and conservative business methods, the stability of a company being builded for the greatest of service to policyholders.

Are you, as a Life Underwriter, interested in such a company? You will find it pays to be friendly with



PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"

FRANKFORT

INDIANA

office was operated as a branch of the San Diego agency. It now assumes independent status. Mr. Mason went to Phoenix as assistant manager in 1944, a year after joining Prudential in Kansas City.

Peoples Life Promotes Carter

Riley B. Carter, district manager at Roanoke, Va., for Peoples Life, has been promoted to superintendent of agents in charge of "B" division, comprising 15 districts with 394 agents.

He will be succeeded as district manager by H. Stanley Bailey, who has been staff superintendent.

Names Two Group Field Men

Great-West Life has appointed Robert E. Walters as a group representative in Chicago, associated with the Earl M. Schwemm agency.

V. L. Hembling, formerly supervisor at Edmonton, has been appointed assistant group supervisor in the Vancouver branch.

Jamison to American Nat'l

R. E. Jamison, formerly Austin, Tex., general agent of Republic National Life, has opened a general agency for American National in San Antonio. This gives the American National two ordinary agencies in San Antonio, as well as two industrial offices.

COMPANY MEN

Morrison Is Great-West Asst. Underwriting Officer

J. E. Morrison is now assistant underwriting executive of Great-West Life.

Mr. Morrison joined the company in 1932 following graduation from the Uni-



J. E. MORRISON

versity of Manitoba. In 1936 he was appointed supervisor of the tabulating department and subsequently was promoted to general supervisor of the statistical and tabulating departments. He was named assistant actuary in 1943.

H. Bradshaw, who joined Great-West in 1945, has been named assistant actuary. He succeeds Mr. Morrison as general supervisor of the statistical and tabulating department.

Kinder Illinois Supervisor

Robert Kinder has been named agency supervisor for General American Life in Illinois outside of Chicago and Cook county. He has 14 years' insurance background in sales, supervision, organization and legal work. Previously he was with two eastern life companies as claims attorney and in sales and supervisory positions. For the last six years he was insurance director for Associated Industries of Missouri.

Woodley N. A. Acc. Actuary

W. C. Woodley, who has been with the actuarial department of Lincoln National Life at its head office, has become actuary of North American Accident of Chicago, which is known as now writing life insurance. He graduated in the actuarial course of the University of Toronto. Walter R. McGregor, who has been actuary, has resigned.

R. T. Jackson Advanced

Robert T. Jackson has been named actuarial assistant by Phoenix Mutual. He is an associate of the Actuarial Society, was graduated from Yale in 1939 and joined Phoenix Mutual the same year. During four years in the army he rose from private to major.

Confederation Life Shifts

W. A. Giles has been named supervisor of sales planning of Confederation Life. W. A. Hand becomes supervisor of advertising and F. I. Murray supervisor of public relations. George M. Cameron, registrar of group sales, succeeds Mr. Hand as agency registrar.

National Standard Promotions

National Standard of Orlando, Fla., has elected Walter E. Smith vice-president and general counsel, and A. P. Forshay secretary-treasurer. Both are members of the board. Mr. Smith has been secretary-treasurer.

Mr. Forshay joined National Standard in March after 16 years with the J. E. Elliott Hall general agency of Penn Mutual Life in New York City.



Sakaka-wea, the "Bird Woman," earned a place in history by guiding the Lewis & Clark Expedition of 1805 into the great northwest. Plagued by starvation, the dangers of the unexplored wilderness, rocky cliffs and rushing rivers, the Expedition successfully pushed westward with Sakaka-wea leading the way. Her remarkable ability as a guide, her courage and resourcefulness, gained the admiration of the explorers who described her heroic guidance in their journals.

Courageous Sakaka-wea symbolizes the dependable service we at Provident have given through the years. For three decades we have been able to guide more and more people to future security.

Through Provident's program of conservative, steady growth, based on sound, safe financial principles, our company today is ready to help still more people achieve the reliable future protection that every American longs for.

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Bismarck, N. Dak.

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Portland, Oregon



Peoria

The Peoria way, M... dent, I... ond Northw... Ralston... tional Conne... er, ex... same contin... Geor... ers M... port o... tality Jan. 1... states... ager "Busin... at Spr... Nation... at Gal... suranc... A s... Rock... ers in... manag... Prude... manag... Paul... Mutu... Dayer... ments J.

NEWS OF LIFE ASSOCIATIONS

Illinois Locals Name Officers

A number of the local associations of Illinois, have elected new officers. Others held May meetings.

At Alton, the new officers are: President, Ray Tingley, New York Life; vice-president, W. H. Crawford, Prudential; secretary, Omar Lyon, Prudential; treasurer, Carl Marsh, Metropolitan; George J. Thomas, Home Life of N. Y., continues as national committeeman. The annual meeting was "ladies' night" and Joseph Dromgoole, assistant editor Alton "Evening Telegraph," spoke.

The new Kankakee officers are: President, James Laffey, Mutual Trust Life; vice-president, Whitney Ferris, Provident Mutual; secretary, Louis Mercier, Union Central; national committeeman, S. E. Moisant, Travelers.

Merritt Ackland, Country Life, is the new president at Jacksonville; vice-president is W. L. Wooldridge, Prudential; secretary, Ralph Dunlap, Connecticut Mutual; national committeeman, Lawrence Oxley, Country Life.

Other Election Results

The East Side association at East St. Louis elected these officers: President, Clarence Klaus, Country Life; vice-presidents, Edward Hemann, Northwestern Mutual, and Oliver Friess, John Hancock; secretary, Glenn Lupton, Prudential; treasurer, R. E. Kelly, Prudential; national committeeman, W. L. Jacobsen, Northwestern Mutual. K. L. Keil, Penn Mutual, Springfield, national committeeman, and E. C. Norton, Fidelity Mutual, Alton, director Illinois association, spoke.

Quincy elected: President, F. D. Cox; vice-president, Roscoe Bourne, Prudential; secretary, Richard Schenck, Mutual Life; treasurer, D. B. Williams, Metropolitan; national committeeman, Harry Hauter, Northwestern Mutual. LaVerne E. Basinger, manager social security board, Quincy, spoke on "Let Social Security Help You."

Champaign's new officers are: President, Robert Castelo, Northwestern Mutual; vice-president, Don Royse, Home Life; secretary, Webb Evans, Ohio National; national committeeman, N. P. Blanchard, Security Mutual. Joseph Krull, special agent of Prudential's ordinary department, St. Louis, spoke on life insurance as related to his own life.

Peoria Slate Announced

The nominating committee's slate at Peoria is: For president, G. C. Treadway, New York Life; first vice-president, D. E. Fagle, John Hancock; second vice-president, Leonard Fritz, Northwestern Mutual; secretary, R. G. Ralston, National Life & Accident; national committeeman, C. T. Wardwell, Connecticut Mutual. Margaret H. Becker, executive secretary, who holds the same post with the state association continues.

George J. French, president of Bankers Mutual of Freeport, spoke at Freeport on "The Guertin Bill and Its Mortality Table." He said the Guertin laws Jan. 1 go into effect in all but two states. Frank C. Toombs, division manager Research Institute, spoke on "Business Changes for Tax Economy" at Springfield. R. G. Ralston, manager National Life & Accident, Peoria, spoke at Galesburg on "The Future of Life Insurance."

A sales clinic was conducted by the Rock River Valley association. Speakers included Glenn Rodgers, assistant manager Davenport ordinary agency, Prudential; Don Ross, merchandising manager "Successful Farming," and Paul C. Otto, general agent Connecticut Mutual, Davenport. S. W. Sanford, Davenport, was in charge of arrangements and was moderator.

J. D. Moynahan, Chicago, manager

Metropolitan Life, national trustee, talked on N.A.L.U. affairs and gave sales ideas at Aurora.

Horace R. Smith, director life insurance marketing course, Purdue University, spoke at Rockford before the association, and later to the managers division at a dinner meeting. W. B. Buckley, manager of Metropolitan at Mt. Vernon, addressed the Centralia group. J. A. Boyer, assistant superintendent of claims, Northwestern Mutual, presented "The Human Side of the News," a dramatization of life insurance in action, before the Illinois Valley association.

P. B. Hobbs, manager Equitable Society, Chicago, and N.A.L.U. president, will address the Danville association dinner meeting June 25. Associations in eastern Illinois are being invited to attend.

Seiler Elected Georgia President

ATLANTA—At the annual meeting here of the Georgia Assn. of Life Underwriters, Carl W. Seiler, Savannah, was named president and John T. Weir, Athens, vice-president.

More than 500 attended. The dominant note was that insurance dollars are more potent than in any other field of investment today.

Mayor Hartsfield, of Atlanta, gave an address of welcome, with response by S. B. Wimbish, association president. Commissioner Cravey of Georgia also spoke. Morning speakers included D. Lee Ballard, New York Life, Augusta, and C. Brainerd Metheny, Pittsburgh, general agent of Fidelity Mutual. Donald B. Woodward, vice-president of Mutual Life, speaking on "The Market," presented a series of graphs illustrating the changes in insurance conditions and allied features since 1900, and predicting further changes in the next quarter century.

Robert E. Henley, president of Life of Virginia, spoke at a luncheon tendered by Retail Credit Co.

The Leaders Round Table of Georgia, organized in 1941 with only seven members, reported a membership of 182, with 78 added the past year. Following a banquet with Charles Thomas, retiring chairman, as toastmaster, J. Warren Timmerman, Macon, was named chairman; Warren R. Woodward, Atlanta, vice-chairman, and Charles B. Fisher, secretary.

Laymen Hold Up Mirror to Grand Rapids Agents at Unusual Meeting

A "Seeing Ourselves as Others See Us" forum was conducted by the Grand Rapids Assn. of Life Underwriters. Invitation was extended to presidents of the bar association, medical, dental and accountants associations, chamber of Commerce, Women's City Club and a well-known clergyman to express their views on what they would like to tell life agents, and a woman and seven men accepted.

The representatives of the woman's club said she never realized how little she knew about life insurance or its distribution methods, and that upon checking with other women she found she was not alone in that regard. Her thoughts and findings, however, including those of her husband, a prominent citizen, were that the definite and compulsory plan of savings, together with the objectivity and protection, were a most appreciated part of owning life insurance. She said with feeling that her sister had been receiving a monthly income from life insurance for some time and it meant a great deal to her.

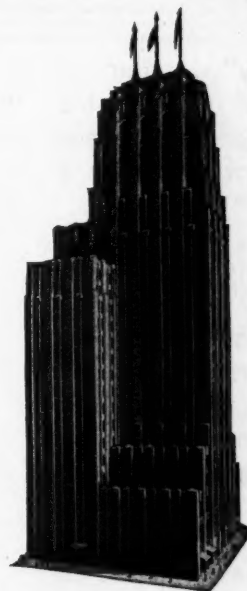
The accountant spoke of the number of proposals that came to his attention where the obvious purpose was to sell

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Accident, Health and Hospitalization forms, when added to an excellent series of Life Policies, are powerful aids to new appointees.

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C. G. Ashbrook, Vice Pres.-Supt. of Agencies
North American Building, Chicago 3, Illinois

life insurance instead of solving a particular problem. Without opposing the former, he urged that more agents devote themselves to obtaining the additional information that would be available for a more specific plan of greater clarity and interest to the intended prospect. He commended the methods employed by advanced agents and pointed to the broad field of real good that would result from more and better prospecting to cover the needs that exist for business insurance.

The attorney echoed some of these criticisms and cited cases where life insurance could have saved the day for those affected; others where the insurance was placed but a failure to follow through on proper beneficiary stipulation or agreements reduced the benefits that might have been secured. He encouraged recognizing responsibilities and opportunities to meet the growing problems in matters affecting intelligent estate planning, taxes, beneficiary sequences and settlements, in addition to business insurance.

The Chamber of Commerce man expressed appreciation for the large number of civic-minded and willing workers among the life insurance fraternity. Whenever there was a job to be done, in campaigns or other projects requiring immediate or definite action, it was felt better to get some life men to take hold

or take over. As a business man, he referred to the variety of problems, regulations and requirements reducing the time of the executive for the business of getting orders and delivery of his goods or services. From the latter standpoint, therefore, a dependable counselor on insurance could be as valued as other professions. "Be clear and direct," he said; "a man in business must make decisions, whether they are always correct or not."

The doctor and dentist referred to the many salesmen of all lines that come to their attention. Aside from those who play on reciprocity for services rendered, they thought the life insurance approaches were on the higher levels and much improved over methods in the past. Both mentioned the demands of time devoted to their practice as well as study and clinics to keep abreast of science, thus leaving the rather obvious lesson to the life agent who would develop himself on the career basis.

The final speaker was a minister of one of the largest churches. He gave a pocket sermon that was practical and inspirational.

Ky. Groups Honor Boone

John G. Boone, Fidelity Mutual, Lexington, received the first annual award of merit presented jointly by the Lex-

ington Life Underwriters Assn. and Kentucky State Assn. of Life Underwriters at the annual sales congress in Lexington. The award is presented for excellence in salesmanship, promotion and service. Mr. Boone joined the C. W. Sulier agency in 1932 after graduating from the University of Kentucky. He is a veteran of the last world war.

Quality awards were presented to John S. Franklin, William H. Dearing, Milton Baer, Mr. Boone, C. H. Robie, Jackson Parrent, James C. Cottengin, W. C. Dalby, D. C. Cruise, Owen S. Tevis and Bertha G. Foley.

Speakers at the session were B. N. Woodson, executive vice-president of Commonwealth; Conger Brown, regional manager of Prudential; Hiram Logson and Robert M. Ryker.

Starrett New President of Nebraska Association

LINCOLN, NEB.—New president of the Nebraska Assn. of Life Underwriters is Sam B. Starrett, Guarantee Mutual, Omaha, named at a meeting here attended by 150. He succeeds William A. Fraser, Bankers Life of Iowa, Lincoln.

Kermit Erickson, Arcadia, and Paul Schlichtmeyer, Scottsbluff, are vice-presidents; Dennis Radford, Omaha, secretary; W. A. Fraser, national committeeman.

The Quarter Million Dollar Round Table named Roy Barnes, Omaha, chairman to succeed Frank A. McDevitt of Omaha. Don Strawn, Lincoln, who has been secretary of the state association, was named vice-chairman and Ralph Walker, Norfolk, are vice-chairmen; Phil Feldman, Omaha, secretary.

Francis L. Merritt, vice-president Central Life of Des Moines, spoke on the science of salesmanship at the luncheon.

Afternoon speakers were Paul Speicher, of R. & R. Service; Don Ross, merchandising manager of Meredith Publishing Co., Des Moines; E. A. Frerichs, vice-president Security Mutual Life, and Foster Blair of radio station KOIL sales department.

Speakers for Pennsylvania Annual Meeting Announced

At the annual meeting of the Pennsylvania Assn. of Life Underwriters at Harrisburg June 20-21, the principal speaker will be W. P. Worthington, agency vice-president of Home Life. At the luncheon, sponsored by the C.L.U., E. L. Reiley, general agent of Mutual Benefit Life, Philadelphia, will speak. There will be a meeting of the Quarter Million Dollar Club.

At a sales congress the second day speakers will be L. E. Olson, director of field training of Prudential; Fred H. White, Connecticut Mutual Life, Buffalo; C. L. Ackiss, Metropolitan Life, New York City; Judd C. Benson, Union Central Life, Cincinnati, N.A.L.U. trustee. L. V. Drury, Sun Life, Pittsburgh, is president.

Oklahoma and Okla. City Associations Elect

OKLAHOMA CITY—At a meeting here the Oklahoma Assn. of Life Underwriters elected Stanley Bryant, New York Life, Lawton, president; M. J. Johnson, Fidelity Mutual, Tulsa; Hub Adams, New York Life, Muskogee, and Stewart Meyers, Great Southern, Oklahoma City, vice-presidents. The secretary will be named later. Membership of the state association was announced as 540 of which 314 are in Oklahoma City. Delegates attended from Oklahoma City, Tulsa, Muskogee, Shawnee and Lawton.

Herndon Lackey, Massachusetts Mutual, was elected president of the Oklahoma City association; Edward E. Waller, Mutual Life, named vice-president; Joseph M. Pinkerton, Prudential, secretary, and F. P. Mulkey, Phoenix Mutual, treasurer.

At a joint luncheon meeting Grant L.

Hill, vice-president and director of agencies of Northwestern Mutual, spoke on "Now Is The Time." He directed his message to the newer men in the field calling special attention to personal stock taking, "as we move from the unusual selling period of the last few years into a tightening period that will require more stabilized thinking. Although this tightening up is a healthy condition and is not an indication of depression, we have to face it and adjust to meet its requirements," he said.

Seattle—Clarence L. Hagstrom, Massachusetts Mutual, has been elected president. Other officers are vice-president, Robert G. Jones, National Life of Vermont; secretary, Herbert L. Wickstrand, Mutual Life; treasurer, Fred Wiley, Occidental Life. Elected to the board of directors are Robert K. Rolfe, Pacific Mutual; Jean Murdoch, Connecticut Mutual; John F. Kavanagh, Equitable Life of Iowa; Hubert M. McLellan, Metropolitan Life; Robert G. Engle, Equitable Society and Tom C. Logan, New York Life.

Elgin, Ill.—Hal Nutt addressed the monthly meeting on responsibilities of management and the individual agent toward the insuring public and field men as a whole. He is production manager for the John C. Todd agency of Northwestern Mutual at Chicago and formerly was associate director of the school of life insurance marketing at Purdue University.

Boston—B. N. Woodson, executive vice-president of Commonwealth Life, spoke on "Power Packed Phrases," stressing the importance of using the right words and right phrases in dealing with prospects.

The William Hayes and Merle G. Summers agencies of New England Mutual and Hawkins agency of Mutual Trust Life received 100% membership certificates.

President George W. Smith of New England Mutual, will speak on "The Philosophy of Business" at the annual meeting June 19.

Indianapolis—Dr. M. O. Ross, president of Butler University, has been given an honorary membership for his part in establishing an insurance division at the university.

Elkhart, Ind.—New officers are: Herbert L. Cramer, Jr., president; LaMar Inbody, vice-president; John Teusher, secretary; Ward Golden, treasurer.

Rochester, N. Y.—Lawrence J. Ackerman, dean of the school of business administration at the University of Connecticut, discussed "Timely Sales Ideas for 1947" at a joint meeting with the Rochester C.L.U. chapter.

Los Angeles—Speakers at the recent debit conference breakfast were H. Philip Maechling, Metropolitan; H. J. Blythe, National Life & Accident; Howard L. Fisher, Prudential; C. Walter Donald, American National, and George Klipsel, John Hancock.

Duluth—New officers are Edgar W. Perkins, Northwestern National, president; Arthur Gustafson, Travelers manager, vice-president; H. C. Sorenson, Aetna Life, second vice-president; Carl A. Anderson, Provident Mutual, secretary-treasurer, and Henry S. Tolman, Penn Mutual, national committeeman.

Pittsburgh—Robert A. McKean, Jr., Berkshire Life, president of the Pittsburgh Assn., addressed the Butler branch at a luncheon. At a supper on June 10, Frank Buscanics, Colonial Life, will speak to the Fayette county branch at Uniontown on "How Much Are You Worth?" It will be guest night on June 11 at an informal dinner for the Washington branch with dancing, cards, prizes and a brief dissertation on "Why Men Go Out at Night." Arthur W. Wright, field training representative of Metropolitan, will speak at a luncheon of the New Castle branch June 12, on "What Comes First?" The annual election will be held at this last meeting until fall.

Utica, N. Y.—The 30 members of the class in life insurance of Utica College were given a dinner by the association, with Dean Winton Tolles making the address.

La Crosse, Wis.—Mrs. Adeline H. Funk, Northwestern Mutual, has been elected president of a new association. Oliver H. Fritz, Great Northern Life, is vice-president; Harvey V. Powers, Old Line Life, secretary; Ford Stickler, national committeeman.

Jerome Boyer, Milwaukee, assistant superintendent of claims of Northwest-

"A neighborly company" was the "in-a-word" description of the Central Life of Illinois at a recent civic celebration honoring one of our general agents.

So many human relations are included in the term "neighborly" . . . friendliness, understanding, helpfulness, sincerity. It conveys a warmth of feeling born of sharing sorrow . . . enjoying good fortune. What more truly personifies the mission of a life insurance company!

This spirit of neighborliness is reflected not only in the relationship between our field men and their policy owners, but characterizes the close association between the Home Office and the Field.

The complete line of policies . . . the sales aids . . . added to this "neighborliness" offers the career life insurance man a real opportunity.

CENTRAL LIFE Insurance Company OF ILLINOIS

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Alfred MacArthur, President

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ctor on Mutual Life, spoke on "Good News." the last year, he said, American life insurance companies paid more than \$1,000 every hour to widows, orphans and annuitants, bringing good news to the beneficiaries of life policies.

St. Paul—A total of \$2,171,000 GI insurance was reinstated in St. Paul as the result of a week's campaign conducted under the chairmanship of Hiram W. Moore, Mutual Life, and Hubert W. Penn, Penn Mutual Life.

Chattanooga—Reuben W. Holland, associate dean of the University of Chattanooga, spoke on "Audit Education for Better Business." Plans for a series of C.L.U. training courses were announced.

Columbus, O.—Officers will be elected in connection with a picnic June 13. The nominations for trustees have been made, with five to be elected.

Wayne County, N. C.—New officers are: L. O. Branch, president; Kirby Hart, vice-president, and John H. Bland, secretary-treasurer.

Tampa—John M. Hammer is the new president, succeeding Gabe Zendegeul who reported a substantial gain in membership during the last year in his annual report. Max Hill, W. E. Van Brunt, Jr., and O. A. Boon were elected vice-presidents. Directors are Tom W. Gary, Jr., Nat Rambo, S. G. Richardson, J. E. Stretch, N. B. Fisher, and R. A. Fowler. The annual outing will be June 26 at Forest Hills Country Club and new officers will be installed after a golf tournament.

Orlando, Fla.—Henry L. Killan, Metropolitan Life, has been elected president of the Central Florida association, succeeding Rufus A. Perry, New York Life. Robert H. Ivey, Prudential, vice-president; Robert L. Walker, Peninsular Life, national committeeman; Cecil C. Farris, Peninsular, secretary.

MANAGERS

Cashiers Hear Mileham

Walter H. Mileham, Penn Mutual accounting analyst, addressed the Life Insurance Cashiers Assn. of Philadelphia on job instruction. He said that for a good job of training it is necessary to place those who are to be trained at ease, to state the specific job and to find out what is known about it. The importance of the specific job must be related to get the person being trained interested. The trainer must tell, show and illustrate one important step at a time, stressing each key point, instructing clearly, completely and patiently. Then the trainer must let the trainee do the job to be sure each key point is understood.

Next the trainee must be put on his own, checked frequently, encouraged to ask questions and tapered off with extra coaching.

Fort Worth Managers' Slate

The Fort Worth Life Managers & General Agents Club nominating committee has prepared a slate of new officers for submission at the annual meeting this week. It is Harry W. Sloan, president; James D. Edgecomb, vice-president; E. P. Dwyer, secretary-treasurer.

A panel discussion is scheduled on

agency management problems. Paul Allen, manager Great Southern Life, has the subject "Recruiting Today", and Harold Holly, manager Fort Worth district office of John Hancock, "Conservation by Service to Policyholders."

Miller Washington Chief

Chester H. Miller, Massachusetts Mutual Life, has been elected president of the Life Insurance Club of Washington, composed of agency executives. Vice-president is Joseph B. Baldwin, Northwestern Mutual Life; secretary, Lee Morrison, Phoenix Mutual Life.

Hear Stanford Professor

The San Francisco General Agents & Managers Assn. heard a discussion June 5 on business and marketing conditions by Dr. David E. Faville, professor of marketing at the graduate school of business of Stanford University. Plans were discussed for the annual "play-day" June 27.

C. L. U.

Hewitt Elected New Head of Chicago Chapter

Edwin S. Hewitt, of E. S. Hewitt & Associates, was elected president of the Chicago C.L.U. Chapter at the annual meeting Wednesday. He succeeds Eugene Rappaport, Pacific Mutual. The other new officers are: Vice-president, Carl E. Lindstrom, Travelers; secretary-treasurer, A. R. Houle, Massachusetts Mutual.

Directors named for two years are Doren E. Trump, Metropolitan; Don K. Alford, Prudential; Richard C. Frazier, Great-West; holdover directors are R. T. Markley, Equitable Society; Lorraine Sinton, Mutual Benefit; Lloyd Uebele, Northwestern Mutual. Harry R. Schultz, Mutual Life, spoke on "Business Is Good in Business Insurance."

Elect in N. Y. June 10

The annual meeting of the New York C.L.U. chapter will be held June 10 at the Hotel Martinique. The program will be devoted solely to business. In addition to a report from the nominating committee, there will be reports from other committees and the officers.

The question of some special action to commemorate the 20th anniversary of C.L.U. will be considered.

To Observe Anniversary

The Cincinnati C.L.U. chapter will observe the 20th anniversary of the American College with a luncheon June 16 at which Paul Speicher, R.&R. Service, will speak.

Equitable Society has appointed Carroll Paavola district manager at Pontiac, Mich.

ACCIDENT AND HEALTH

Pearce H. Young Heads St. Louis Association

At the meeting of the Accident & Health Underwriters Assn. of St. Louis May 29, Pearce H. Young, General American Life, was elected president to succeed Reginald Snyder, American Hospital & Life. Leo E. Coffman, Columbian National Life, was named vice-president; Sydney Altman, Metropolitan Life, reelected secretary-treasurer. Directors are Fred McGinnity, American Life & Accident; H. B. Miller, Mutual Benefit; Fred Schuth, American Hospital & Life; Leroy Bohley, Federal Life & Casualty, and George L. Dyer, Jr., Insurance Agency Co.

Adam Rosenthal, General American, who spoke on "Visual Selling," said he has been selling life insurance on that basis for 20 years and has adapted his plans to accident and health as well since joining his present company. Photostats of claim checks are the most effective sales tools, he says. He regards the daily newspaper as the most fruitful source of visual selling material. Letters written by policyholders after

settlement of their claims also are very effective sales material.

Hospital Assn. Head Favors Taft Bill at Hearing

WASHINGTON—John H. Hayes, president American Hospital Assn., has endorsed the Taft health bill at a hearing before the Senate labor and public welfare committee. He said he represented 3,800 hospitals.

His organization does not favor "tearing down" the present system "in favor of a federally controlled compulsory system," Mr. Hayes said, in opposing the Wagner-Murray-Dingell plan. Blue Cross success indicates "the American people are able and willing to make their own provision for medical and hospital care without interference of a cumbersome federal scheme of compulsion," he declared.

Meanwhile, a House subcommittee on executive expenditures has started an investigation of what it calls government publicity and propaganda, claimed to be outside the law, with particular respect to promotion of compulsory national health insurance.

GENERAL AGENCY OPENINGS

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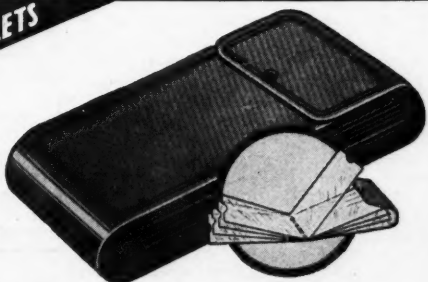
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LIFE SALES MEETINGS

Mass. Mutual Meet Will Draw 1,200

The convention of the Massachusetts Mutual Life agents association will take place in Atlantic City June 16-18. More than 1,200 delegates are expected to attend, the largest number ever. The Traymore Hotel will be headquarters and all business sessions will meet there. Many delegates will also be quartered at the Marlborough-Blenheim Hotel.

The program, under Tracy W. Evans, president of the agents association, will include discussion of timely underwriting topics, such as "Sales Methods That Click," "Today's Profitable Markets," "Operating on the Basis of a Modern Mortality Table" and "Selling Business Insurance."

Featured on the program will be a luncheon of the Massachusetts Mutual Chartered Life Underwriters Assn. with Eugene C. Noyes, president, in charge. Speaker will be Roland D. Hinkle, president of the American Society.

The banquet will be held Monday with Alexander T. Maclean, company president, as toastmaster. Bertrand J. Perry, chairman of the board, will present service emblems to 25-year representatives.

The court of honor, conducted by Chester O. Fischer, vice-president, will give recognition to those with outstanding sales records.

Tuesday evening the home office review school alumni dinner will be held with Lambert M. Huppeler, superintendent of agencies, and Hampton H. Irwin, educational director, in charge.

Mr. Fischer will adjourn the convention with an address titled "The Road Ahead."

Hill Speaks at Wichita

Grant L. Hill, vice-president and agency director of Northwestern Mutual; L. J. Evans, assistant director of agencies, and Harold W. Gardiner, educational director, attended an agency meeting of the Henry W. Laffer western Kansas agency at Wichita. Mr. Hill spoke at the dinner.

National of Vt. Plans Educational Conference June 18

National Life of Vermont will hold its first educational conference since the war June 18-21. Approximately 500 agents, their families and home office executives will converge upon Jasper National Park, Alberta. It will be the largest such conference the company has had.

President Elbert S. Brigham, Executive Vice-president L. Douglas Meredith, Vice-president Edward D. Field, chairman of the committee on insurance, Deane C. Davis, vice-president and general counsel; H. H. Jackson, vice-president and actuary; D. Bobb Slattery, superintendent of agencies; A. J. Oberlander, medical director; A. H. McAulay, director of selection; Karl G. Gumm, assistant superintendent of agencies, who is general conference chairman, and others of the home office will participate.

Clyde R. Welman, Memphis general agent and president of the General Agents Assn., will be toastmaster of the fellowship dinner on June 18 when President Brigham will deliver his welcoming address and Mr. Gumm will outline the program.

Slattery Opening Chairman

Mr. Slattery will preside at the first general session on June 19 when Mr. Field will deliver the keynote address; Mr. Deutsch will speak on training; a sales demonstration will be put on by Neil C. Croonquist and Raymond H. Sponberg of Minneapolis; Bradford D. Haseltine, Hartford, will speak on "How to Serve Veterans Better" and Vice-president Davis on "Deferred Compensation Plan for Keymen and Others."

National Life's top salesman, Robert P. Burroughs, general agent at Manchester, will be chairman of the general session June 20. Mr. Meredith will speak on "National Life Dollars at

Work;" Merrill W. McNamee, Chicago, on "A Career Underwriter in Action;" Mr. Jackson on "A New Premium Structure and Its Consequences;" and John L. Tivney, Harrisburg general agent, on "The National at the Crossroads."

The session of June 21 will be under Eugene C. DeVol, Philadelphia. Four men will participate in a panel to describe "My Most Interesting Sale." The participants will be George S. Hamilton, Baltimore; E. Price Ripley, Roanoke, Elwood M. West, Cleveland, and John T. Wolf, Los Angeles. Chester G. Raymond, Tacoma, who for more than 25 years has been with National, will talk on "My Outlook Today."

Mr. McAulay will speak on "The Second Probability;" Dr. Oberlander on "Medical Problems" and the closing address, "Moving Forward," will be by Mr. Slattery.

A breakfast featuring Vermont maple syrup will be a Saturday morning special. The meeting will feature a formal educational program, plus sales

clinics. Arrangements have been worked out by Norman J. Ewen, assistant treasurer and cashier, and Norman Smyth, agency assistant.

Better Than 450 Qualify for Great-West Convention

Better than 450 Great-West Life agents in Canada and the United States have qualified for the company convention to be held at Jasper Park Lodge, Alberta, June 23-26. This will be the first such gathering since 1939. The number of 1947 qualifiers is almost double 1939.

W. J. Hopwood, Winnipeg, after leading the company in 1946, topped the convention qualifiers with well over a million dollars paid business for the 13 month qualification period. Louis White, Toronto, placed second.

A full program of business sessions has been planned while the chief recreation attraction will be the golf tournament for the Ferguson Trophy.

NEWS ABOUT LIFE POLICIES

Aetna Announces Dividend Scale

Aetna Life has announced a tentative schedule of dividends applicable to the new C.S.O. 2½% participating policies. They are:

Ordinary Life		(Also Family Income)				
		End of Dividend Year				
Age	Prem.	1	5	10	15	20
5	12.72	1.00	1.00	1.00	1.19	1.86
10	13.94	1.00	1.00	1.00	1.58	2.53
15	15.76	1.00	1.00	1.42	2.41	3.37
20	17.95	1.00	1.24	2.28	3.29	4.27
25	20.66	1.00	2.13	3.20	4.24	5.23
30	24.01	1.00	3.97	5.11	6.31	7.38
35	27.96	1.00	5.10	6.41	7.84	8.93
40	32.97	1.20	6.42	7.84	9.41	10.52
45	39.27	1.66	8.13	9.71	11.20	12.66
50	47.70	2.28	10.14	12.11	14.16	16.61
55	58.63	3.07	12.41	14.71	17.23	20.00
60	73.22	4.11	16.14	19.11	22.61	26.91
65	92.99	5.55	21.44	25.10	30.00	36.00
70	120.06	7.52	28.23	33.77	40.00	48.00

20 Payment Life						
Age	Prem.	1	5	10	15	20
5	23.11	1.00	1.08	1.96	2.94	4.18
10	24.92	1.00	1.27	2.22	3.46	4.93
15	27.17	1.00	1.45	2.69	4.20	5.67
20	29.71	1.00	1.89	3.43	4.93	6.40
25	32.60	1.00	2.65	4.19	5.70	7.16
30	35.90	1.00	3.41	5.11	6.31	7.97
35	39.73	1.00	4.25	5.80	7.38	8.79
40	44.27	1.18	5.16	6.82	8.30	9.55
45	49.77	1.64	6.32	7.89	9.18	10.25
50	56.71	2.26	7.60	8.96	10.02	10.97
55	65.79	3.05	9.19	9.98	10.78	11.83
60	78.22	4.10	10.20	10.93	11.76	12.87

20 Year Endowment						
Age	Prem.	1	5	10	15	20
5	47.17	1.00	1.22	3.33	5.71	8.40
10	47.20	1.00	1.30	3.40	5.85	8.47
15	47.83	1.00	1.68	3.93	6.41	8.87
20	48.63	1.00	2.32	4.68	7.02	9.32
25	49.52	1.00	3.13	5.36	7.55	9.69
30	50.49	1.00	4.14	6.07	8.04	9.93
35	51.93	1.00	4.54	6.52	8.47	10.24
40	54.06	1.16	5.37	7.32	9.07	10.61
45	57.20	1.62	6.44	8.21	9.70	11.06
50	61.97	2.24	7.66	9.16	10.37	11.63
55	69.17	3.04	8.95	10.10	11.05	12.38
60	80.09	4.10	10.22	11.01	11.95	13.34

Life Income at 65—Males						
Age	Prem.	1	5	10	15	20
10	21.35	1.00	1.00	1.45	2.53	3.85
15	24.71	1.00	1.00	2.13	3.54	4.91
20	28.93	1.00	1.64	3.15	4.63	6.08
25	34.34	1.00	2.70	4.31	5.89	7.42
30	41.03	1.00	3.54	5.30	6.99	8.66
35	50.06	1.00	4.49	6.41	8.30	10.01
40	62.76	1.13	5.55	7.77	9.76	11.12
45	81.70	1.56	6.87	9.29	11.18	12.42
50	113.01	2.11	8.37	11.13	12.69	14.00
55	174.64	2.77	10.09	12.80	14.44	15.99

Has Junior Estate Plan

Security Mutual of N. Y. has introduced a junior estate plan described as "an insurance plan that grows as the child grows." It provides for return of premiums plus compound interest of 2½% in event of death prior to age 5; if death occurs between ages 5-21, death benefit is \$1,000, and, in addition, all premiums compounded at 2½%. From age 21 on, insured has a life insurance plan automatically increased to \$5,000 for each unit with the premium remaining unchanged.

There are no medical examinations required, either at date of issue or when

policy is automatically increased at age 21. The minimum ultimate amount is \$5,000 and the maximum \$15,000. Annual premiums for \$1,000 insurance increasing to \$5,000 at age 21 are:

Age 0, \$50; 1, \$51.25; 2, \$52.55; 3, \$53.90; 4, \$55.30; 5, \$56.80; 6, \$58.20; 7, \$59.70; 8, \$61.25; 9, \$62.85.

Now Writes Lower Ages

Home Security Life of North Carolina now is issuing its preferred risk whole life policy at ages below age 20 down to 10. For \$5,000 insurance the rate at age 10 is \$56.80; age 15, \$62.15; 16, \$63.35; 17, \$64.65; 18, \$66; 19, \$67.40.

Taft Bill Hearings Set

WASHINGTON — Insurance interests will get an inning June 11 on the Taft bill for a national health program, when John Mannix, Insurance Economics Society, Chicago, is scheduled to testify. Three other witnesses will be announced.

The hearing schedule calls for appearances June 13 of the Fraternal Order of Eagles, Watson Miller, federal security administrator, and representatives of the American Welfare Assn. and American Public Health Assn.

Three days of hearings on the new Wagner-Murray-Dingell compulsory health insurance bill are scheduled beginning June 18. Senator Murray, Montana, co-sponsor of the bill, will lead off, followed by representatives of the CIO, AFL and other labor groups.

Tacoma Trust Council Elects

The Tacoma Life Insurance and Trust Council has elected Darth B. Ludwig, Travelers, as president. Other officers chosen are: Frank Carmody, Bank of California, vice-president; Harry Anderson, National Bank of Washington, secretary; Otto Johnson, Equitable Society, treasurer; George Fisher, Bank of California, Richard Blundell, New York Life, and Darrell Hoflinger of Standard of Oregon, trustees.

POSITION WANTED

Capable insurance executive, 36, college graduate, desires to return to insurance business after 4 year absence. Experienced as general agent and superintendent of agencies. Particularly skilled in agency building and training procedures. Preferably Home Office Representative or State Agent. Location: San Antonio, Texas. Invites correspondence from reputable Life companies. Write Box L-99, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Assistant Manager for large mutual life insurance agency, Pittsburgh, Pennsylvania. Married, 28-35, with at least 3 years successful selling or supervisory experience. Salary, bonus and commissions assure substantial income, plus group life, pension and hospitalization coverage. Excellent opportunity for advancement. State qualifications. Address M-18, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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RECONCILE OPPOSING VIEWS ON COMMISSIONERS' CENTRAL OFFICE

(CONTINUED FROM PAGE 1)

Commissioners and their staffs are to have first call on the Flamingo. Those that cannot be accommodated there will be housed at the Floridian.

It appeared certain that the association at this meeting would at last take affirmative action on the proposal to set up a central office. The committee, headed by Forbes, held hearings here for two days and was able to reconcile most of the views. That committee presented its report to the executive committee Tuesday, and the sharpest verbal exchange of the week occurred at that time when McCormack of Tennessee offered certain objections. It appeared for a while that the whole program might fall, but after some pyrotechnics, McCormack agreed to confer with the group in an effort to get a report that would suit him.

The Forbes committee recommended that the central office be the office of the secretary with the secretary in general charge. It would be permanently situated in some centrally located city. All N.A.I.C. records except those of the committee on valuation of securities would be kept there. There would be employed an assistant secretary, who might be known as executive secretary, and a stenographer; the assistant secretary would work under the direction of the secretary; no additional employees would be put on without the approval of the association; the valuation of securities office would be retained in New York; the duties of the office would consist of correspondence, it would be a source of information on rulings, rate filings, legislation and other activities, it would assist in preparing reports for committees and would handle details of convention examination assignments under the direction of the chairman of examinations committee. Additional facilities might be required later. The secretary-treasurer would receive no salary. The budget of the association would have to be increased from \$8,000 to \$25,000. The office would be supervised by a committee of three.

McCormack objected to the idea of having a supervising committee of three on the ground that this would not be a democratic setup. He also objected to the possibility of the hired man being designated "executive secretary," saying that this might lead to the creation of a "super-dooper" commissioner. Tempers flared with Dineen and Harrington of Massachusetts getting into some particularly harsh exchanges with McCormack.

New Jersey Governor Heard

All hands turned out for the cocktail party and banquet Tuesday. Entertainment was provided by the Prudential mixed chorus. President Shanks of Prudential was toastmaster and the speaker was Gov. Driscoll of New Jersey. He made a great hit in complimenting the insurance world in developing the idea of interstate cooperation. This, he said, is the answer to those who want a centralized system at Washington. Insurance has demonstrated, he declared, that home rule can be made to work. The alternative is government at Washington. The states must demonstrate through interstate cooperation they can do much of what has been done at Washington and what has been suggested can be done there.

The states are close to the people and can translate their wishes into constructive, dynamic and intelligent action. This applies to almost every field that is close to the individual citizen. Those who lose faith in home rule go to Washington, get the ear of some one there, a bureaucrat enters the picture, a deal is cooked up whereunder the U. S. takes over a job with a federal appropriation matched by a state contribution. The state falls for the lure. What is needed

is clear rules and a redefinition of governmental duties. To each level of government should be delegated the duties it is best able to perform. Governmental jurisdictional disputes, he said, are holding up housing developments today.

James E. Rutherford, executive vice-president, and E. J. Schmuck, attorney for National Assn. of Life Underwriters, requested the laws and legislation committee at a meeting Tuesday morning to take a stand for the life agents licensing law to which N.A.L.U. is committed. Also they requested the committee to exert its influence for more extensive enactment of the legislation barring a home state company from operating in any other state on an unlicensed basis. Mr. Schmuck said N.A.L.U. at its September convention may take a very strong position on this latter measure.

As to the licensing law matter, Mr. Schmuck said there should be a provision for the commissioner to determine the qualification of agents in some manner. He said N.A.L.U. is convinced the law for the licensing of life insurance agents should be distinct from any fire and casualty statute.

The committee, headed by Butler of Texas, gave sympathetic attention to these pleas and the questions were scheduled for the December agenda.

In the course of the discussion McCormack of Tennessee voiced the opinion N.A.L.U. is making a mistake in not advocating a resident agent provision in the licensing law.

McCormack of Tennessee spoke at the real estate committee meeting on the dangers of basing appraisals for mortgages on present inflated values. He said he understood that governmental agencies regard present prices of pre-war structures as being 50% above pre-Pearl Harbor prices and new construction as being 86% above valuations on similar properties before Pearl Harbor.

Mr. McCormack urged that the annual statements provide that companies must state by what percentage their appraisals exceed the 1940 basis. He cited Roy Wenzlick, St. Louis real estate authority, as saying that not more than .3 of 1% of the population can pay the rents that would be required on apartments valued at today's prices and that hence prices are bound to drop. He conceded that when the economy settles down the price level may be different from 1940 but said that until then 1940 should be used as a yardstick.

Saying that "this question of appraisals has got me scared to death," Mr. McCormack termed the present situation far worse than before the 1929 depression. He said if something isn't done about it the insurance companies are due for a "head-on crash."

Pearson of Indiana, committee chairman, thought the question went back to the standard appraisal form that his committee has been working on for eight years but which has so far not been adopted.

McCormack asked the laws and legislation committee to take some action to advance his crusade for legislation in the various states governing the qualification of commissioners and deputies, actuaries and examiners. It was decided that this would be put on the agenda in December and that each commissioner would be notified in advance, so that he could appear and state his views.

ACCIDENT AND HEALTH

The recommendation of zone 4 that all accident and health insurers be required to furnish experience figures from which the states may determine whether benefits are in line with premiums was accepted by the accident and health committee for study and will be reported on at the December meeting.

The recommendation, formulated at the recent zone 4 meeting in Des Moines, will be put into effect by the zone 4 states even if the N.A.I.C. should not adopt it. However, the zone 4 commissioners felt it would be better, in the interest of uniformity, to discuss the recommendation with the accident and health committee, with a view to its being adopted by the N.A.I.C.

Chairman Knowlton, New Hampshire, raised the question of how the call would be made, who would compile the information and how it would be distributed. ("Central office," called an unidentified voice.) Another question, raised by an industry spokesman, was whether the data would be a public record and available to competitors. The plan is to keep it confidential. However, Deputy Tom Shands of Florida said some states, including Florida, prohibit any documents being left secret.

Joseph F. Follmann, Jr., manager Bureau of Personal Accident & Health Underwriters, made a vigorous statement in opposition to the move, already made in Texas, Florida and Nevada and under consideration elsewhere, to make the third edition of the Official Guide applicable to all policies issued after a specified date even if they had previously been approved. After he finished, Texas, Florida and Georgia agreed to suspend their ruling pending further consideration. Nevada's representative was absent.

Many New, Varying Laws

Mr. Follmann stressed the unusually large number of new and varying laws with various effective dates, the possibility of a revision of the standard provisions law in the immediate future and the possibility of future revisions in the Official Guide. He pointed out that one state might make one edition of the guide mandatory and another state might apply another edition. He emphasized that it had always been the practice and intent to make the guide apply only to

policies submitted for approval after the guide's effective date.

The rulings are needless, he said, because the model A. & H. regulatory bill gives the commissioner the right to withdraw approval for cause; new legislation pending or passed in the various states will require comprehensive changes in A. & H. forms; finally, competition will force insurers to reprint their forms periodically. This factor alone, he said, obviates the need for the ruling.

Public Interest Angle

As for the possibility that the trouble and expense caused by the rulings would be justified by the public interest, Mr. Follmann said the third edition of the guide did aim to eliminate some abuses practiced by a relatively few insurers, but the advantages to be gained for policyholders are not in any way commensurate with the costs and difficulties with which insurers would be saddled.

There was considerable discussion of the Official Guide's prohibition of making strict compliance with the policy a condition precedent to recovery. It appeared to be the committee's intent that any kind of compliance clause should be barred. Harold R. Gordon, managing director Health & Accident Underwriters Conference, suggested this be made clear by eliminating the word "strict." Chairman Knowlton agreed that this should take care of it. However, Mr. Gordon also brought up the point that in some states a contract cannot be enforced unless it has a compliance clause.

To Raise Business Standards

C. C. Fraizer, general counsel Health & Accident Underwriters Conference, said the conference is at work through its business standards committee to curb the borderline companies which lower the business' standing by unconscionable claim practices and unconscionably low loss ratios. He said 95% of the business—perhaps 96% or 97%—is conducted on a decent, high-class plane,

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with an average loss ratio over the years of 54%. He conceded that a few of the borderline companies were in the conference but said most were not in any organization.

Victor Cohen, New York department, urged that regulation of accident and health companies be on a uniformly high level rather than on a minimum basis.

R. A. Payne, Travelers, made a progress report on the proposed standard provisions law.

The issue of the \$20,000 limitation on the amount of group insurance a single individual may possess, the question of whether the companies should now pay for war deaths regardless of contractual liability and matters of technical procedure under the Guertin laws occupied the attention of the life committee with Allyn of Connecticut presiding.

T. C. Morrill, New York deputy, read a letter from A. J. Snook, attorney for Union Carbide & Carbon Corp., who desires repeal of the \$20,000 group ceiling in New York. Among other things, he said group insurance benefits constitute one of the conditions of employment that are cited as an inducement to attract talent. To put a ceiling in New York on group cover might put the New York employer in a poor bargaining position as compared with an employer from another state. Also he declared that inflation may cause the \$20,000 to seem insignificant and it is a mistake to have such an inflexible rule.

Harrington of Massachusetts said he had always counseled going slow on adopting the \$20,000 feature.

James E. Rutherford, executive vice-president of National Assn. of Life Underwriters, made a stirring defense of the \$20,000 provision. The Snook letter, he said, is a boost for life insurance as a vehicle for improving employee relations. Group, he said, serves a useful purpose and when sold in conformity with original conceptions of its function it is admirable. However, he asserted, a race is on to provide higher and bigger limits and N.A.L.U. is convinced the legislation is necessary to halt that trend. The danger is that men who ought to have a permanent program will be lulled into a false sense of security by a large group cover. He said it is unnecessary to be concerned about those in the higher brackets who can take care of themselves and who should have the permanent forms.

The discussion became thoroughly actuarial when Russell O. Hooker, Connecticut actuary, reported for the technical committee. McCormack of Tennessee, however, brought about a quick change of pace when he injected the war clause issue. He charged it was a mistake ever to have approved a status type of war clause and he asserted that "any right thinking type of company" that had such a clause would pay for any deaths that occurred that were not due to warlike hazard.

When it comes to a results clause, he contended the procedure should be for the company to refrain from paying war death claims during the course of hostilities, but at the same time it should be paying no dividends to policyholders or stockholders. Then when peace comes, if it can do so without suffering impairment, it should pay all war death losses. If it can't afford to pay such claims in full, it should pay a pro-rata portion of them and then for several years should not be permitted to pay any dividends to stockholders or policyholders.

T. C. Morrill said the New York department is studying the figures on war deaths but until that work is completed the department doesn't want to discuss the matter. He observed that millions of dollars are involved.

It was decided to put the matter on the agenda for the December meeting.

At the meeting of the examinations committee the matter of micro filming company records was brought up and the decision was to sound out the views of each commissioner so that there would be a consensus developed by the time of the December meeting.

LEGAL RESERVE FRATERALS

Guertin Law Effect Is Discussed

(CONTINUED FROM PAGE 5)

on an actuarially sound basis by placing the basic assumptions at the most liberal plane consistent with safety rather than at some point below this level in order to provide for things other than the eventual maturity of the individual contracts. . . Much of the insurance in force in fraternal benefit societies, and on which the societies now feel the reserves should be strengthened, is insurance issued upon the plan of operation outlined above. In considering any reserve strengthening program in regard to such blocks of business, the actuary should base his reserve strengthening on only one principle—namely, the ability of the society to mature those contracts in accordance with their terms.

Mr. Stauffer believes fraternal actuaries can look for a number of years to a gain based on the fact that some fraternal actuaries made their mortality and interest assumptions in the past on a liberal basis in view of the fact that gains from terminations would be quite heavy under all certificates until these had been in force for many years.

He said A. N. Guertin, actuary American Life Convention, who was present as an observer, in a paper had shown that for most companies a shift to a satisfactory reserve basis was too costly to be undertaken over a short space of time. Mr. Stauffer said he believed this applied also to fraternal, and if so, the reserve strengthening requirements of the New York department are "unduly harsh". Any reserve strengthening program at all times should be governed by the amount of free funds available for other unforeseen catastrophes, he said.

A question is whether in such a program a fraternal should be influenced by the fact that it issues an open con-

tract. Fraternal actuaries, he said, feel the financial structure should be equally strong with that of an old line company, and it might be felt that application of the right to assess members at some future time might be disastrous, and to be avoided at all costs. Yet the right of assessment now constitutes the only technical difference between the fraternal and mutual. Mr. Stauffer asked whether advantages of the open contract should not be considered by the fraternal in planning its operations, rather than ignored, and the society proceed in all actuarial matters precisely as the old line company does in protecting its closed contract.

Mr. Stauffer summed up his points as: (1) in considering the need for a change in reserve basis, the societies should be concerned primarily with meeting contractual obligations; (2) they should consider all factors involved which will influence their abilities to meet future claims, and not just the ones which are obvious.

Some conclusions on premium adjustments as adapted to fraternal societies were given by Lyle H. Barnhart, actuary of Fidelity Life, Fulton, Ill. These related to methods of adjusting premiums at death of certificate holder so as to serve them best, eliminate irritating situations and be most practical in operation. He said considerable thought should be given to modernizing societies' procedures. "It is apparent," he said, "that continued use of reserve factors based on the payment of death claims at the end of the year is difficult to explain."

Donald B. Warren, of Nelson & Warren, consulting actuaries, St. Louis, presented a well thought out paper on practical considerations in preparation of a rate book. Frank J. Gadiant, actuary Modern Woodmen, gave the report of the blanks committee.

Fraternal Week Activities Continued to Oct. 1

The activities which have distinguished National Fraternal Week, sponsored by the National Fraternal Congress, this year are being continued to Oct. 1, it was announced this week by Mrs. Clara B. Bender, Degree of Honor, St. Paul, N.F.C. president. Fraternal Week was observed May 11-17.

Before Fraternal Week, Frank B. Mallett, Protected Home Circle, Sharon, Pa., chairman for the week, and his committee requested the activities be continued until the close of the N.F.C. meeting at Detroit in October. It was felt one week was not sufficient for groups to accomplish the objectives which they had set up. It was urged that all groups continue their work until the special civic project selected was completed. The period to Oct. 1 has been set aside for that purpose, Mrs. Bender stated, and to give fraternalists opportunity to demonstrate to the public the special values which they may contribute to the social good.

"There are so many human needs everywhere that it is not difficult for a lodge to select some activity which will fill an urgent need and aid in the betterment of conditions generally," Mrs. Bender declared. "Among the many prac-

tical suggestions presented are the following: Holding of inter-society gatherings for the purpose of considering plans for the participating of fraternal lodges in civic and community projects, and if desirable, to make these projects joint undertakings; for lodges to sponsor a program of activities beneficial to members and the community; to furnish equipment or rooms in hospitals; to contribute to cancer control, Red Cross crippled children and the blind; to establish playgrounds and nurseries for children of working mothers; to contribute to the National Tuberculosis Assn. and the Kenny Institute; to aid foreign relief agencies in drives for clothing, food, medicines, etc.; to furnish entertainment and refreshments to veterans hospitals; to encourage seniors in high school to compete in oratorical contests, making it possible for intelligent young people to win scholarships; to sponsor Boy Scout and Girl Scout troops."

Rieckman Elgin Manager; Chapman Sent to Chicago

Ervin A. Rieckman, manager for Metropolitan Life in the Humboldt district, Chicago, has been placed in charge of the Elgin district, succeeding Edson H. Chapman. The latter has been transferred to the Central Park district at Chicago.

Mr. Rieckman, a graduate of North Central College, was a high school athletic coach prior to joining Metropolitan in 1930. He became an assistant manager in 1933 and in 1944 advanced to field training instructor in the home office.

Ia. Check-Off Law Does Not Affect Group Premiums

DES MOINES—Assignment of wages for the payment of premiums in a company group life insurance plan is not prohibited by the recently passed state law forbidding the union dues "check-off" system, the attorney general's office has ruled.

The new act prohibits assignment of wages to pay union labor dues and assessments as a condition of obtaining employment and further prohibits such assignments by already employed workers unless the employer is presented with a written notice from the employee asking such deductions from his paycheck.

The question whether the new act prohibits assignment of wages and accompanying payroll deductions for group life insurance premiums had been raised by the insurance department.

Hear NSL Measures

WASHINGTON—The Phillips House veterans affairs subcommittee on insurance Wednesday began hearing veterans organization representatives on three bills extending and liberalizing National Service Life provisions.

One, H.R. 807, supported by Amvets, provides for (1) repealing the time limit for reinstatement of NSL level premium term policies on a comparative health basis; (2) automatic conversion to ordinary life plan in case of total disability; (3) original application on any permanent plan.

Another, H.R. 1328, supported by the American Legion, provides for \$10,000 NSL gratuitous automatic coverage for service personnel killed, died, totally disabled or taken prisoner; also for gratuitous insurance for 120 days after enlistment before Sept. 3, 1945; also for protecting flying cadets in the same manner between Oct. 8, 1940, and June 3, 1941.

Pension Forum for N. O.

Having successfully completed two more pension trust forums in the middle west, A. L. Kirkpatrick, U. S. Chamber of Commerce insurance department manager, has another one scheduled for New Orleans July 9-10.

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Actuaries Compare New Basis Program

(CONTINUED FROM PAGE 1)

editor. E. L. Marshall, Lafayette life, was reappointed librarian. Elevation of L. J. Kalmbach, Lincoln National, to vice-president from an unexpired term on the board created an additional vacancy of one year among the governors, so that four were elected to fill board positions instead of the usual three. By rare coincidence, only four men were nominated for these posts and selection of the one of them who would serve for just one year was made by the actuarial method of drawing from a hat. A. N. Guertin, American Life Convention, drew the short end.

The two papers which were presented at the meeting were by Irving Rosenthal, Guardian Life, and Frank A. Weck, Metropolitan.

Mr. Rosenthal outlined his paper which is a study of the question of the maximum amount of life insurance which a company can safely cover on an individual risk. He said that the expansion of insurance in force in recent years has again made this a practical current problem for many companies. Whenever a substantial increase in insurance in force occurs, he said, company officials are apt to feel that the amount they can cover on an individual life, for their own retention, can be increased.

Mr. Rosenthal said his paper points out that the problem of limits of a retention involves both practical and theoretical questions. The foremost practical question is reinsurance relations, because the company's limit of retention determines the scope of the reinsurance coverage which it may need to obtain. Other practical aspects are the company's financial position and earning power, and its underwriting skills and experience.

Discusses Schedule of Limits

His paper discusses the theoretical problems which must be considered in setting up a schedule of limits for various ages and sub-standard classification of risks. He said that the basic purpose of a schedule of retention limits is to stabilize or iron out the fluctuations in a company's mortality experience. It becomes necessary to analyze the different kinds of fluctuation or variations to which mortality experience is subject, and then to determine what the effect of the change in the schedule of retention limits is likely to be. The paper lists as the types of fluctuation, chance, secular variation due to long term changes in basic mortality conditions, fluctuations due to catastrophes, due to business cycle changes and due to incorrect underwriting classification of risks and insufficient knowledge of basic mortality.

Mr. Rosenthal said that the only part of the problem of stabilizing mortality experience which can be handled by mathematical methods is that dealing with pure chance, but much light can be thrown on the significance of other types by a logical analysis.

WECK'S PAPER

W. A. Merriam, Metropolitan, summarized the paper of Mr. Weck, who was unable to be present. Mr. Weck had outlined his theory that the problem of deriving mortality rates from actual experience of a group of lives is unnecessarily complicated by many actuaries who telescope two necessary steps into one. The two steps are the derivation of the mortality rates them-

selves and then the calculation of the probability function from them.

The paper then outlined the basic theory for carrying out mortality investigations to obtain simple mortality rates and showed that this theory is equally applicable to the derivation of decrement and increment rates of all kinds. Certain problems involving the determination of the interest rates realized on a company's assets are mentioned as are investigations involving more than one case of decrement which is shown to be just as simply handled as if only a single case were involved. This is felt of importance in the analysis of mortality rate by cause of death.

The report of R. G. Stagg, Northwestern National, who was reelected secretary, showed that 16 have been admitted as fellows, and 31 as associates. He said that seven had been admitted as fellows by exams of the Actuarial Society of America and seven have become associates through the same route. He reported that 10 companies have been admitted to contributing membership.

Reelect Moyer Treasurer

Ross E. Moyer, John Hancock, who was reelected treasurer, reported. N. M. Hughes, National Life & Accident, reporting for the committee on industrial standard and substandard tables, stated that studies of the committee in cooperation with American Life Convention have been completed and nine volumes have been published on standard and nine more on substandard industrial mortality tables.

There was considerable interest in descriptions of varying success of companies which have filed approval of their new forms with state departments.

Considerable time was devoted to filing of discussions of papers presented at the previous meetings, which were "Commissioners Reserve Valuation Method" by W. O. Menge, Lincoln National; "Volunteer State Life Mortality Experience," by A. E. Archibald, Volunteer State; "The Application of the Standard Non-forfeiture Law to Supplemental Term Insurance," by J. E. Hoskins, Travelers, and "Mortality Tables and Commutation Columns at 2 1/2% Interest Based Upon Certain Percentages of qx, according to 1941 C.S.O. Table," by S. P. Adams, Lincoln National.

Those who had discussions to make on these papers mounted the rostrum and briefly summed up their written comments. Those who filed comments on the Menge paper were R. E. Edwards, Columbian National, H. M. Sarason, General American; J. E. Hoskins, Travelers, T. N. E. Grenville, Bureau of Census, who was unable to be present.

Further Comments Filed

Comments were filed on the Archibald paper by C. F. Richardson, Geyelin, Green & Harvey, Philadelphia, who read for A. C. Webster, Mutual Life.

Commenting on the Hoskins paper were Kermit Lang, Equitable of Iowa, C. H. Tookey, Occidental of California, C. L. Trowbridge, Bankers of Iowa; William J. November, Equitable Society.

Commenting on the Adams paper were Mr. Hughes, Charles E. Richards, Penn Mutual, Frank D. Kineke, Prudential.

The remainder of the meeting was devoted to informal discussions.

A new wrinkle in convention tagging developed at the actuaries meeting proved successful. Those who had just become new fellows had their name plates mounted on large blue ribbons, and the new associates were similarly decorated in red. This had the effect of introducing a great many of the newcomers to the older men in the organization, who made it a point to introduce themselves to each of the new fellows and associates.

Shows 85% of R.R. Men Now Covered

(CONTINUED FROM PAGE 4)

somewhat different basis to provide sickness, accident and death benefits, closely paralleling the accident and health companies, and the voluntary relief associations.

The information supplied Mr. Brown by these relief associations shows a total number of insured railroad employees of 403,684. In most cases the figures are for Dec. 31, 1946. Eight of the associations, covering 385,944 employees paid benefits in 1946 amounting to \$10,097,971 to employees and beneficiaries.

Figures were not available for all relief associations on the percentage of employees of the railroads covered, but for the six associations supplying information, the percentage of employees covered was in excess of 75%.

Mr. Brown comments that these voluntary relief associations are of long standing, the oldest being founded in 1896. Since organization, seven of the associations, covering approximately 340,000 employees, have paid out in benefits totaling \$278,974,099.

Committee Meetings First N.A.I.C. Convention Work

(CONTINUED FROM PAGE 2)

of Commissioner Harrington of Massachusetts was put over for action at the December meeting, when McCormack of Tennessee offered objections to certain features at the plenary session. Harrington proposed to do away with these committees as independent entities: fraternal, social security, taxation, unauthorized insurance and workmen's compensation, and to transfer their assignments elsewhere. At the same time, he recommended converting the rates and rating organization committee into a standing committee and to change the title of the laws and legislation committee to state and federal laws and legislation committee.

McCormack objected especially to abolishing the fraternal committee, saying that fraternal constitute a separate branch of the business.

The blanks committee meeting that afternoon turned out to be something of a dud, since copies of the printed report had not arrived. There was some chat about the proposed combination blank for fire and casualty companies. J. F. Collins of New York said it would be possible to force such a combination, but he expressed the belief it would be better to wait until the matter of uni-

form classification of accounts had come to a focus, so that a thorough job of overhauling could be done and that in the meantime there merely be an extension of the supplemental exhibits for companies doing an omnibus business. C. G. Vanderfeen, National Surety, chairman of an industry committee said he hoped to be able to submit a proposal for a combination blank before too long.

The meeting of the taxation committee proved to be something unusual, but indecisive. Unfortunately, a recording was not made of it. R. W. Garff, Utah deputy, presided in the absence of Commissioner Carlson of that state. There was discussion of whether the premium tax should be assessed on the premiums of mutual companies before or after payment of dividends to policyholders, and there was much confusion in the debate, as it was never certain whether life or fire and casualty operations were under review. Mr. Garff opined that the rate of premium tax should be uniform among the states and suggested that the differences that exist might constitute discrimination. Oklahoma, with its 4% tax, came in for much unfavorable comment, the attack being leveled with much joshing at R. P. Biggers, president Republic Life of Oklahoma City, in the absence of Commissioner Dickey. B. M. Anderson of Connecticut General said the situation could be corrected if the insurers would have courage to debit their policy dividends in states with the Oklahoma tax. Felix Hebert, for the Factory Mutuals, was the main champion of the idea of exempting dividends from tax. McCormack of Tennessee said he taxes all premiums on a gross basis, not exempting dividends to policyholders or membership fees.

Director Stone of Nebraska got a big hand when he said he questions whether life insurance premiums should be taxed at all since life insurance is a form of savings and it is improper to levy a tax on savings.

Actuarial discussion

The technical sub-committee of the life insurance committee held a meeting that was a field day for the actuaries and technicians, but left the rank and file groggy. It was presided over by Russell Hooker of Connecticut. J. T. Phillips of New York Life injected the question of whether juvenile endowments under which the only benefit to age 10 is return of premium should be classified as life insurance. A. N. Guertin, actuary of American Life Convention, had even many of his fellow actuaries hanging on the ropes when he proposed a formula for non-forfeiture



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values in connection with policies with a temporary substandard rating.

Then there was a memorandum jointly by Mr. Guertin and Bruce Shepherd of Life Insurance Assn. of America suggesting how the insurance departments might expedite the work of passing on the many filings that are being made to get in under Jan. 1 deadline for the Guertin legislation. In brief, it seemed to be that the various states might respect the certification of the home state department that the non-forfeiture values as filed are up to snuff.

The valuation of securities committee went through the formalities of ratifying the formula for 1947 valua-

tions, the principal change being to stiffen the formula for amortization of bonds by reducing the interest yield factor from 2.10 to 1.80%.

The Hooker committee then had another session far beyond the cocktail hour on the proposed revision of the financial page of the life insurance annual statement, in which such minutiae were taken up as what to do about furniture and fixtures. An industry committee, headed by President J. S. Thompson of Mutual Benefit Life, expounded its views.

That evening all hands enjoyed a shore dinner.

North Central Advertisers Meet

(CONTINUED FROM PAGE 3)

company concentrates on retirement income in its advertising in nationally circulating magazines, said that advertising costs are increasing against fixed budgets.

Mr. White discussed the details of direct mail work, the offering of memorandum books, the use of pre-cancelled stamps which he said affect mailing adversely, the type of enclosures, the use of multigraph and electric typewriters. In its direct mail work, his company does not charge the postage or the cost of the letters to the agents, but does charge for any gift distributed, and limits the number of letters sent out to about 20 a week per agent.



Powell Stamper

Mr. Cummings, in his first participation in the North Central Round Table meetings, said that his company uses sales aids designed to sell a package. Mr. Hamlin gave a demonstration of a sale using sales promotion material. He is assistant superintendent of agents of Equitable of Iowa and in his recent work has been a teacher of new agents from the home office level.

H. C. Nelson, General American Life, was chairman of the session on "How Do They Do It?" during the course of which numerous questions were asked and answered. During this period of the meeting, various advertising techniques were discussed and definite points developed, such as that agents who don't use direct mail material are principally those who will not, or do not compile prospect lists. Some companies want agents to furnish them only with limited lists that can be followed up definitely. It was contended by one speaker that letters sent to prospects from the home office pulled only 5% with his company, and when the same letter was mailed from the company's various general agencies, the response jumped to 14%. One speaker remarked that agents have been relying increasingly on mass prospecting, on leads furnished to them by their companies, but that they have not been doing a sufficient amount of selective prospecting among old policyholders and referred leads. This speaker asserted that it is still necessary for the successful life insurance man to do the same careful, methodical prospecting as in the past and that no company, no matter whether it is doing national advertising, or sending out thousands of letters a year, can furnish an agent with the same kind and number of prospects as the active agent can produce for himself.

Kenneth K. Wunsch, Northwestern National, was chairman at the concluding session which began with a consideration of "How We Promote Retirement Income." Arthur W. Theiss, Minnesota Mutual, introduced LeRoy Hackett, Minnesota Mutual's general agent at Aurora, Ill., and two of Mr. Hackett's leading producers, John S.

Schneerman and Arthur F. Noonan. Mr. Hackett acted as a prospect while Mr. Schneerman and Mr. Noonan demonstrated the way in which they used the Minnesota Mutual's illustrated sales presentation of retirement income. All of those at the meeting stood around the table where the demonstration was being given so that they could see exactly how the illustrated booklet was used, when the pages were being turned, what pictures were being discussed, etc. Mr. Schneerman and Mr. Noonan alternated in giving the sales talk.

E. P. Leader, Bankers of Iowa, said that retirement income advertising calls for a basically selfish appeal. In newspaper advertising Mr. Leader said that any advertisement placed on a page with a news picture will bring up to 4% more responses. He showed the results that may be expected when advertisements are inserted on definite pages, such as the sport page, woman's page, financial page, etc.

Covering Miscellaneous Needs

F. J. O'Brien, Franklin Life, was chairman at the final Round Table which devoted itself to "How We Promote Life Insurance for Miscellaneous Needs." Mr. O'Brien's speakers were Harold Allen, Fidelity Life Assn., and Jack R. Morris, Business Men's Assurance. Mr. Morris told of the use by his company of street car cards, and explains the results varied rather noticeably in different cities. He discussed the use of nationally circulating magazines and the distribution to agents of reprints of advertisements in national magazines with a reproduction of the magazine's front cover as a prestige builder.

Mr. Allen developed his point by asking a series of questions and getting a general audience participation.

Ariz. Assn. Supports Direct in Outlawing Policy

(CONTINUED FROM PAGE 11)

literature prepared by Commercial Benefit and Commercial Life for the use of their agents. We have the picture of the seven golden sources of the Commercial dollar maker's profit pouring into a machine, the crank of which is being turned by a man whose shirt bears the initials, C.B.I. From the spout of the machine, dollars are pouring into your pot of gold. Picture money being thrown into the funnel of legal reserve life insurance companies with money pouring profusely from the trough into eager hands with the statement, How would you like to be on the receiving end of a profitable and well managed, stock, legal reserve life insurance company?

Return of Four to One

"We also see the statement that a conservative estimate indicates a return of four to one, an estimated equivalent of 13% compound interest on your investment and excellent possibilities for a return of \$4 to \$1 on your investment. Is it any wonder that in the history of life insurance in America we find that the end of a tontine period has been accompanied by a furor of disappointed policyholders?

"A breakdown of the premium to be charged for the dollar maker policy and a comparison thereof with premiums charged for other policies will reveal that policyholders will pay heavily for their insurance and for the gamble that they will get a return of four to one or better for their money at the end of 20 years. At age 45, the premium on the dollar maker (without premium refund in case of death) is \$46.51. The net level premium for a 20 year term policy based upon the American experience tables at 3½% is \$17.37. It, therefore, appears that the policyholder will be paying each year, the sum of \$29.14 in addition to such net level premium. If we deduct from this amount \$4.65 which is to be deposited in the benefit fund, and \$1 which the company may elect to deposit to such fund, we have a balance of \$23.49 which apparently constitutes the expense loading."

A further comparison indicates that "dollar maker" policyholder is being required to pay in the neighborhood of \$19 per year per \$1,000 of insurance in excess of that which he would pay for a comparable policy with any other company, the Arizona association brief states.



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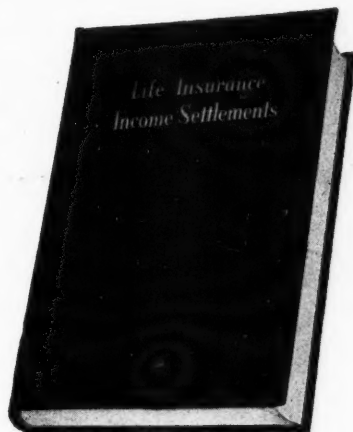
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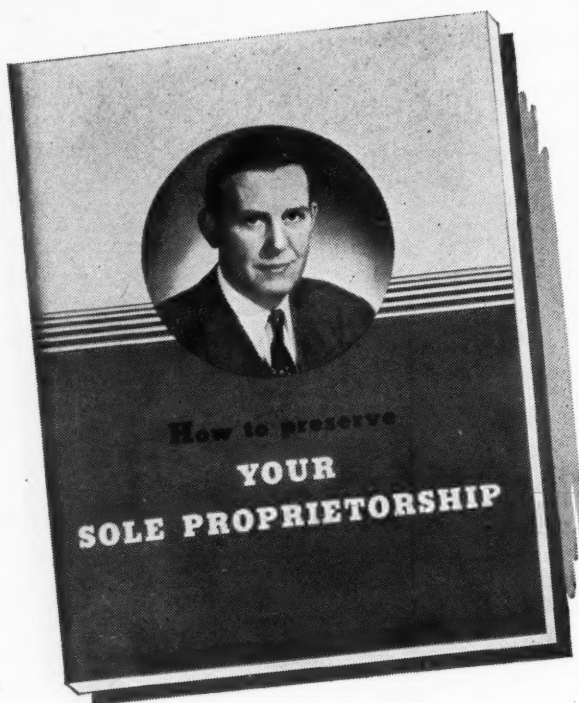
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